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(13945)

FURTHER CORRESPONDENCE

RESPECTING

MOROCCO

PART 68

JANUARY TO JUNE 1931

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Further Correspondence respecting Morocco.

Part 68.

CHAPTER I.—FRENCH ZONE.

[W 419/419/28] No. 1.

Consul-General Edmonds to Mr. A. Henderson.—(*Received January* 13.)

(No. 1.)

Sir, *Rabat, January* 5, 1931.

I HAVE the honour to report that during the past week the consultative assembly known as the " Conseil de Gouvernement " has held one of its occasional meetings in order to examine the budget of the French Zone of Morocco. The speech made before the French section of the council by the Resident-General is a useful statement of the present economic position.

2. After referring to world-wide depression, M. Lucien Saint attributed the present depression of Moroccan agriculture to the over-production of cereals in France, to the accompanying low prices, to locusts, and to droughts. The unfavourable commercial balance showed how unsatisfactory the position was. Imports were, perhaps, not greatly reduced, on the whole, but the lesser imports of sugar and tea, on the one hand, and of motors and superior wines, on the other, showed respectively that both natives and Europeans were able to buy less. As for exports, they had distinctly fallen, especially cattle, barley, maize and oats. For the first time since 1914 revenue had ceased to expand and new taxes (the consumption taxes) had had to be introduced last June.

3. M. Saint then proceeded to deal with agriculture and the plight of the French settlers. The Government, he said, had never ceased to regard agriculture as the basis of Moroccan trade. It had therefore decided to allow the French settlers a generous period of grace to meet their debts. It had just created the Caisse fédérale de Crédit agricole with a capital of 5,175,000 fr. to co-ordinate all agricultural banks and to encourage co-operative farming. Pending a general review of the estates allotted no further allotments of ground would be made in 1931. The Government was also enquiring into the possibilities of growing timber, vegetables and such cereals as would not compete with French agriculture. Experts sent to California had reported the value of a system of barrages and irrigation, and this would be another objective of the Government. The best way of regularising prices had appeared on examination to be by storing in dock silos. This, in its turn, demanded money, so that a real stabilisation of agricultural prices might be said to depend on an increase in the country's wealth.

4. As regards mines, M. Saint said that the area open to prospectors had been considerably enlarged, especially in the Sous. There had been a satisfactory tendency towards amalgamation among French and Moroccan mining companies. The authorities themselves had succeeded in promoting certain amalgamations, particularly among coal and oil concerns. A start had been made with building the

port of Agadir, and they were on the way towards establishing an outlet for Eastern Morocco—but the Resident-General did not say whether it was to be Saidia or Nemours.

5. Considering the length of the Moroccan coast, M. Saint thought that little attention had been paid to maritime industries. The Crédit maritime had therefore been established last August. The general expansion of all kinds of industry of the zone had made it necessary to pass legislation about trade disputes and to establish a consultative trade council which had already had to pronounce upon the establishment of labour exchanges and an extension of employers' liability.

6. The Resident-General then came to exchequer difficulties. More expenditure was required just when revenue showed signs of having reached its maximum limit. The agricultural tax ("tertib"), the customs and even the phosphates revenues were less. To balance the budget, extraordinary receipts had had to be used, and to finance the locust campaign the Government had had recourse to the reserve fund. The fact was that the territory France was called to develop had been growing.

7. This led M. Saint to refer to the progress of French penetration. The great achievement of last year he described as the occupation of that part of the Middle Atlas which lies behind Tadla and which was a constant menace to the security of the Tadla plain. (There is now direct access, instead of a circuit viâ Khenifra in the north or viâ Ouaouizert in the south, to Ksiba on the plain to the east of the range.) This was accomplished, without the shedding of blood, thanks to careful preparation by the army and political officers. In the much disturbed district on the Algero-Moroccan frontier—near Colomb Bechar—the united Algero-Moroccan command had been successful. There were still native raids, but no longer within the French lines. The army had gradually become master of the routes followed by the raiders and a policing system had been set up through which the raiders hesitated to slip. Banditry was on the wane and the sedentary population was becoming more amenable. On the south-eastern slopes of the Great Atlas the administrative system had now been pushed as far as the Todra district and the Upper Dra. Further to the south it now reached to the foothills of the Bani mountains.

8. The total budget, said M. Saint in conclusion, for the fiscal year (which will henceforth begin on the 1st April) was 921 million francs, an increase of 166 million francs over the previous year. Economy must therefore be the order of the day, and the Government proposed to observe it. The Government was most anxious not to levy any fresh taxes, and he did not doubt that the loyal collaboration of State and workers would make it possible to get through this difficult period.

9. The discussion which followed the Resident-General's speech revolved round complaints and suggestions about taxation, public works, and other aspects of the administration which affect the French colony directly. In all cases sympathetic consideration, if not compliance, was promised by the Resident-General or good reason was given to the contrary. Two interesting points emerged. Firstly, the Casablanca representatives demanded the suppression of the provision of 50 million francs for finishing the construction of the Fez–Oudjda Railway a year earlier than originally contemplated (my despatch No. 170 of the 29th ult.). The official reply was that, as this was essentially a strategic line, the provision of this sum was the easiest way for Morocco to meet the French Government's demand that it should increase its military contribution. Secondly, the Director-General of Finance definitely announced the abolition of the export duty on maize and barley and the reduction of the consumption taxes on frozen meat and on cotton seed, sesame, earth nut, and soya oils, to the rates foreshadowed in my despatch No. 152 of the 8th November last.

10. The day after the French section of the "Conseil de Gouvernement" finished its sittings, M. Saint, for the first time during his tenure of office, held a session of the native section. He had little to say to the delegates beyond assuring them that he was doing his best to make things easy for the taxpayer, whether countryman or townsman, in these hard times, reminding them that the comparative prosperity of Morocco was due to her connexion with France, and inviting them to collaborate heartily with the French authorities. His doors would always be open to anyone coming with difficulties or advice. Alluding, no doubt, once more to the feeling aroused by the Berber dahir and the chronic discontent

provoked by the appropriation of land for French settlers, M. Saint added that France desired the prosperity of the Moors and, as the President of the Republic had recently said, the safeguarding of their religion, traditions, customs and public and private property. At the ensuing discussion the native delegates had many requests to make. Most of them concerned procedure in matters of taxation or customs, and were promised sympathetic consideration.

11. I enclose copies of the Resident-General's speeches(1) and will transmit a copy of the budget as soon as it is published.

I have, &c.
W. S. EDMONDS.

(1) Not printed.

[W 1726/535/28] No. 2.

Lord Tyrrell to Mr. A. Henderson.—(*Received February* 14.)

(No. 173.)

Sir, *Paris, February* 13, 1931.

IN the light of the information furnished by His Majesty's consul-general at Rabat in a despatch, of which a copy was enclosed in your despatch No. 245 of the 4th February, I am disposed to think it may be better not to insist on an answer to my note of the 16th June last or otherwise to press the French Government for the moment to define in black and white the attitude of the Protectorate authorities in the matter of the expropriation of the property of British subjects in Morocco. If, as seems to be the case, a genuine effort is being made to reach an equitable settlement of the cases which have given rise to the present correspondence, it may be well to await the outcome before considering whether any, and, if so, what, further action is necessary.

2. If the Protectorate authorities are at times inclined to pay insufficient heed to the treaty rights of foreign Powers in Morocco, it is generally in cases where the strict observance of such rights would tend to hamper their liberty of action in the administrative development of the country. The policy adopted by His Majesty's Government of facilitating the task of the Protectorate authorities by insisting on their rights in as sparing a manner as is compatible with the protection of their interests is undoubtedly appreciated, and has, I should say, proved more effective than the American method of lodging on every occasion formal protests which are as often as not overridden or ignored. At the same time I am alive to the consideration that we must not weaken our position to insist upon the strict letter of our rights whenever it is desirable to do so. But, provided we do not let our case go by default through failure to state it, I am of opinion that we shall, as a rule, get better results by the policy hitherto adopted than by endeavouring to force the Protectorate authorities into an open admission of the justice of our claim.

3. So far, therefore, as the present matter is concerned, I propose to avail myself of the discretion which you allow me not to press for an answer to my note of the 16th June until, at any rate, I have received an answer to my note of the 29th January on the specific case of Si Omar-el-Hadjwy. The answer to the latter should furnish a useful indication of the sincerity of the French authorities to settle all cases of this nature to our satisfaction.

I have, &c.
TYRRELL.

[W 1780/535/28] No. 3.

Consul-General Edmonds to Mr. A. Henderson.—(*Received February* 16.)

(No. 24.)

Sir, *Rabat, February* 10, 1931.

WITH reference to your despatch No. 9 of the 23rd ultimo, enclosing a copy of your despatch No. 170 of the 23rd ultimo, which requested His Majesty's Ambassador in Paris to enquire of the French Ministry for Foreign Affairs whether they would be prepared to instruct the Residency-General here to agree

with me in appointing an arbitrator in the dispute between Si Omar-el-Hadjwy and the Société d'Énergie électrique, I have the honour to enclose herewith copies of two despatches from His Majesty's vice-consul at Fez reporting that Si Omar-el-Hadjwy has now settled the incident by accepting 30,000 fr. as compensation from the company. The change in the company's attitude to which Mr. King alludes is no doubt due to the representations made by His Majesty's Ambassador last summer. Had Si Omar-el-Hadjwy waited a little longer he might have found, as a result of the note addressed to the Quai d'Orsay by His Majesty's Embassy on the 29th ultimo, that the company was prepared to be a little more generous. It is extremely difficult to estimate even approximately what might be considered to be reasonable compensation. I am inclined to think that the sum which Si Omar-el-Hadjwy has accepted was, if anything, favourable to the company rather than to himself. In any case, I trust that this compromise may be of good augury for the settlement of the other expropriation disputes which are outstanding.

I have, &c.
W. S. EDMONDS.

Enclosure 1 in No. 3.

Vice-Consul King to Mr. Edmonds.

(No. 11.)
Sir, *Fez, February* 2, 1931.

WITH reference to your despatch No. 3 of the 7th January, 1931, regarding the planting of pylons on the land of Si Omar-el-Hadjwy by the Énergie électrique, I am informed to-day by El Hadjwy that he was approached a few days ago by an official of the company with unwonted politeness and the offer of 7,000 fr. compensation. On meeting with a refusal, he gradually raised his offer to 20,000 fr., at which point El Hadjwy said he would give him an answer in a week's time.

2. A condition of this last offer was that a receipt for a less amount should be signed by El Hadjwy, as the company did not wish it to be known what he was being paid.

3. El Hadjwy came to me for my advice, but I told him that any arrangement which he came to with the company was his own private concern, in which I could not properly give any advice. I recommended, however, very strongly that in any settlement which he eventually made he should demand that the amount be deposited before he put his name to anything. He replied that the company were evidently willing to pay cash, as their representative who had come to him had the necessary bank-notes in his wallet.

I have, &c.
A. H. KING.

Enclosure 2 in No. 3.

Vice-Consul King to Mr. Edmonds.

(No. 13.)
Sir, *Fez, February* 6, 1931.

WITH reference to my despatch No. 11 of the 2nd February, 1931, giving you warning of a possible settlement between the Énergie électrique and Si Omar-el-Hadjwy, I am informed to-day by Si Omar that the company has settled with him for 30,000 fr.

2. Si Omar states that the money has actually been paid over to him in bank-notes, for which he has given two receipts, one for the total amount, and the other for the indemnity given to other landowners of 160 fr. per pylon.

3. The company, it appears, has also undertaken to sling nets under the cables in order to guard against accidents from fallen wires, and promises to give proper notification to Si Omar before attempting to enter his property.

4. According to Si Omar, the above amount by no means compensates him for the depreciation of the value of his property caused by the line of pylons running through the middle of it. He declares that he actually offered to pay 15,000 fr. for the line to be diverted, but the company refused the offer on the ground that if the direction of the line were altered for one it would be expected to be altered for all. On the whole, however, Si Omar considers that he has made as satisfactory an arrangement as was possible, and I gather that the changed attitude of the company in dealing with him has contributed in no small measure to this happy result.

I have, &c.
A. H. KING.

[W 5217/420/28] No. 4.

Consul-General Edmonds to Mr. A. Henderson.—(Received May 6.)

(No. 54.)
Sir, *Rabat, April* 28, 1931.

WITH reference to my despatch No. 48 of the 10th instant, concerning the present unrest among the Moslems of Fez, I have the honour to transmit herewith copies of two further despatches from His Majesty's vice-consul at that town.

2. The leaflet enclosed in Mr. King's despatch No. 33 reproduces the old arguments—that the Berbers are being Christianised, and that taxation is burdensome for that very reason—but, as Mr. King says, its tone is more virulent than that of previous pamphlets. Although the authorities have little difficulty in keeping open manifestations within bounds, I fancy that the stubbornness and ramifications of the agitation must be causing them considerable uneasiness. The press extract enclosed in Mr. King's despatch contains an admission of what is doubtless the truth, namely, that Moscow provides the stimulus for a great deal of the trouble. Another local paper has recently referred to the appeals which have been launched in Egypt, at Zobeir in Iraq, and by the Druse agitator Shekib Arslan in Geneva, for a Moslem boycott of French goods.

3. Mr. King is, I think, right in ascribing some of the present discontent to the lack of educational facilities. There is, for example, a school at Rabat for the sons of Moslem notables, but, in Moslem opinion, its teaching is not good enough to make up for a tone which is found displeasing. In consequence, young Moslems of good family are sent for their education as far afield as El Azhar in Cairo, the Moslem College in Beirut and elsewhere, and the students returning from abroad can but add strength to the agitation. The fact is that educational facilities are deliberately limited because there is no scope for the educated. Except in the native courts and, to a very small extent in the army, there is no Government employ for natives of education. There are native police, native soldiers, native door-keepers and messengers in the Government Departments, and so on, but there are hardly any native officials or officers. There are no faculties of modern medicine, law, engineering or science of any sort, and there is no career for a native as a doctor, a lawyer, an engineer or anything of that kind. The French are no doubt in a dilemma. Seeing the results of education in India and Egypt, they hesitate to educate until there is scope for the educated. But, on the other hand, they feel that they have not yet reached the point where they can trust the native with more than quite subordinate official posts, encourage him to enter the liberal professions, or, indeed, allow him anything like an important part in the development of his own country. The problem still exists on too small a scale to be serious, but the longer a naturally intelligent and capable people is brought in touch with European methods and yet denied the chance of advancement, the more must it tend to be discontented.

4. Mr. King's despatch No. 34 describes how a French settler who had kicked a convict to death got off with virtually nothing but a fine of 200 fr. It is unnecessary to believe, as is implied by the pamphlet enclosed by Mr. King, that brutality such as this settler's is the general rule. But the commoner class of the French population—and it is they who are most generally in direct touch with the native—seem to have an unfortunate way of treating the native with familiarity and harshness promiscuously. The Técourt incident also seems to illustrate the influence which the French settlers are able to exercise through the

Ligue des Anciens Combattants, the Ligue des Droits de l'Homme, and other such institutions. From cases where British interests clash with those of a French settler, I know how the French authorities defer to such influences. It is easy to understand that where a native's rights of person or property are pitted against these influences, he often gets short shrift. In the present instance, where a just sentence might have relieved the situation, unofficial pressure seems to have contributed to produce a verdict which can only embitter native feeling.

I have, &c.

W. S. EDMONDS.

Enclosure 1 in No. 4.

Vice-Consul King to Consul-General Edmonds.

(No. 33. Confidential.)

Sir,

Fez, April 20, 1931.

WITH reference to my confidential despatch No. 19 of the 3rd March, 1931, forwarding an anti-French leaflet which was circulating in Fez, I have the honour to transmit to you herewith a further leaflet, with translation attached,(1) which was sent to me through the post by an unknown hand at the same time as the booklet entitled " Tempête sur le Maroc," which you received from me a fortnight ago.

2. This latest leaflet has been widely circulated, and is more virulent than any that has appeared hitherto. To what extent the ideas expressed therein are penetrating the minds of the people of Fez I am unable for the present to say, but they have so far had no practical result whatsoever.

3. I enclose a cutting from " Le Progrès de Fez " of the 19th April, which refers to the present campaign of disparagement of France as " Les Nuages à l'Horizon," and attributes the discontent in the Medina to the economic crisis, and to a lesser degree to certain administrative blunders.(1) No doubt bad business and petty humiliations are contributory causes, but to my mind due weight should be given to the result of only partly educating the better class Moor. The Mussulman College at Fez is now turning out young men with an education comparable to that of a French lycée, but owing to its restricted curriculum, rarely brings them up to " baccalauréat " standard, and therefore fails to equip them for any administrative position or professional career other than that of the agitator.

4. The effects of judicial discrimination between Frenchmen and natives are also not to be underestimated, and it is noteworthy that the miscarriage of justice which seems to have occurred in the " Affaire Técourt," on the subject of which I shall have the honour of addressing you a separate despatch, has been immediately seized upon by the organisers of the movement and turned to their own purpose of stirring up trouble.

5. The Berber dahir remains, or at any rate is made to appear, the principal grievance, and I am told by persons leaving on the pilgrimage that public prayers and manifestations against its terms will be held this year at Mecca.

I have, &c.

A. H. KING.

Enclosure 2 in No. 4.

Vice-Consul King to Consul-General Edmonds.

(No. 34.)

Sir,

Fez, April 21, 1931.

I HAVE the honour to transmit to your herewith a cutting from the " Courrier du Maroc " of the 15th April, giving an account of the " Affaire Técourt," which has considerably shaken local native confidence in the impartiality of French justice.(1)

(1) Not printed.

2. The facts are briefly these :—

Técourt, a French colonist with a fine war record, president of the Colonists' Association of the Fez district and chevalier of the Legion of Honour, had the habit of rough-handling and striking the native convicts who were sent to work on his farm. One native, whom he had particularly maltreated, died, and the doctor who held the post-mortem examination gave as his opinion that death was due to blows received. Técourt was put on trial for causing death by assault and battery but without intent. He was condemned to one year's prison *avec sursis* and ordered to pay a fine of 200 fr.

3. The public prosecutor is reported to have submitted during the trial that an acquittal would be harmful to the good name of French justice in Morocco, but in what the sentence given differs materially from an acquittal it would be hard to say.

I have, &c.

A. H. KING.

CHAPTER II.—SPANISH ZONE.

[W 2831/107/28] No. 5.

Mr. Gurney to Mr. A. Henderson.—(*Received March* 12.)

(No. 32.)

Sir, *Tangier, February* 26, 1931.

I HAVE the honour to transmit herewith copy of a despatch from the acting British consul at Tetuan in regard to the position of Germans in the Spanish Zone of Morocco.

2. From this despatch it appears that an attempt is being made by the Spanish Government to maintain that the effect of article 141, &c., of the Treaty of Versailles is to deprive the Germans of their capitulatory rights in the Spanish Zone as well as in the remainder of Morocco.

3. It is true that by article 142 of this treaty (at any rate, according to the French text) Germany definitely abandoned the régime of Capitulations in Morocco without any limitation, and there seems, therefore, to be some ground for the contention that this renunciation was intended to apply to the whole of Morocco, including the Spanish Zone. It is, however, a question of the legal interpretation of a treaty on which I would hesitate to express a definite opinion.

I have, &c.

HUGH GURNEY.

Enclosure in No. 5.

Acting-Consul Gardener to Mr. Gurney.

(No. 13.)

Sir, *Tetuan, February* 20, 1931.

RUMOURS having reached me that the Spanish authorities had called into question the validity of the German Capitulations in this zone, I took advantage of a visit recently paid to me by my German colleague to ascertain the accuracy of these reports. He informed me that the rumours were mainly true, and I have the honour to report the substance of our conversation.

2. The German claim to the enjoyment of a capitulatory régime in Morocco is based on the Madrid Convention of 1880, to which Germany was a party. The provisions of this convention were confirmed by article 5 of the Treaty of Fez of 1890 between the Emperors of Morocco and Germany. I am unable to discover whether Germany has formally recognised the Spanish Zone as brought into being by the Franco-Spanish Treaty of 1912. If such formal recognition has not been accorded, I think that Germany can be considered, like Great Britain, to have given *de facto* recognition to this zone in virtue of the appointment of a consul, &c.

3. By article 141 of the Treaty of Versailles, Germany renounced her favoured position, at least in the French Zone. In the Spanish Zone, however, no attempt has been made by the Spanish authorities to call into question Germany's continued enjoyment of the capitulatory régime until comparatively recently.

4. Herr Bohn told me, and I have no means of verifying his statement, that the delegate-general, Señor Aguilar, had written to him officially challenging Germany's position as a capitulatory Power. The argument used by the Spanish authorities was that, in virtue of article 141 of the Treaty of Versailles, Germany had renounced her favoured position throughout the whole of Morocco. The use of this argument amounts to the admission by Spain of the doctrine of the political unity of Morocco, a doctrine to which Spain has hitherto hesitated to subscribe. This admission may be of some value in settling various problems affecting Tangier.

5. The present attitude adopted by the German Government in the negotiations which are taking place in Berlin and Madrid is, Herr Bohn informed

me, the following: Assuming that the French Zone authorities have the right (upon which the German Government have reserved their opinion) to act on behalf of the whole of the Shereefian Empire, any decision taken in Rabat must, in order to become valid in this zone, be legalised by an enactment in this zone and promulgated in the "Boletín Oficial." This has never been done and so, he claims, the Capitulations have never been abrogated.

6. I gathered from Herr Bohn that, so far, the Spanish authorities had made no reply to the German contention. He stated that he had, at the beginning of the year, transmitted to the delegate-general the customary list of semsars and that the delegate-general had replied styling them "ex"-protégés.

7. I am unable to express an opinion on that part of the German argument referring to the competency of the French Zone authorities to make a decision binding upon the Spanish Zone. It would seem that, in the present case, any such opinion must be based on the interpretation of article 141 of the Treaty of Versailles, various articles of the protectorate agreement and also on the question of Germany's recognition of this zone.

8. The second part of the German contention, viz., non-publication by this zone of a law abrogating the German Capitulations, is, in my opinion, a sound argument. At first sight, this omission is merely a technical point which can be rectified at any time. In view, however, of the long period which has elapsed since the Treaty of Versailles was ratified, such an announcement made now would savour of the crude methods by which Persia and China sought to terminate Capitulations, *i.e.*, unilateral declarations. It will therefore be difficult for Spain, without giving offence to Germany, to follow that course.

9. I understood from Herr Bohn and from a German resident here who is in close touch with the German Foreign Office that the German Government was not very concerned about the threatened loss of the Capitulations. From the German point of view, the Spanish Zone is of little importance, whereas the goodwill of Spain is of great importance to German commercial interests. The Spaniards are known to regard the capitulatory régime as a slight upon their national honour and a reflection upon their administration. Their theory is that protégés were essential in the old days, but that since Spain has become the protecting Power there is no further need of foreign protection.

10. In view of the attitude of Germany and Spain, it seems possible that Germany may renounce her favoured position in return for the settlement of outstanding claims. As the price of Holland's renunciation of the Capitulations, Spain agreed to settle all outstanding claims and to make the ex-Dutch semsars justiciable by the Spanish courts and not the Koranic tribunals. It is possible that the delegate-general's reference to German ex-protégés might be in accordance with the plan to settle the present question on the same terms.

I have, &c.

A. J. GARDENER.

[W 2992/1195/28] No. 6.

Mr. Gurney to Mr. A. Henderson.—(*Received March* 17.)

(No. 46.)

Sir, *Tangier, March* 11, 1931.

I HAVE the honour to transmit herewith copies of two despatches from the acting British consul at Tetuan in regard to the question of semsars.

2. In the first of these despatches Mr. Gardener reports that the Spanish authorities have refused to recognise a certificate issued by His Majesty's consulate in respect to a semsar appointed by a British firm resident in the United Kingdom on the ground that semsars can only be appointed by firms or persons established in Morocco. In the second despatch Mr. Gardener states that he has been approached by another British firm resident in London with the request for the appointment of a semsar.

3. As pointed out by Mr. Gardener the validity of the appointment of semsars for non-resident British firms has been contested in the past by the authorities of the French Zone, but so far as I am aware this is the first occasion on which the Spanish authorities have refused to recognise a semsar certificate on this ground. It may be, as suggested by Mr. Gardener that their action is due

to French inspiration. It is certainly a fact that the new head of the Moroccan Department is a man of vigorous personality who is reported to have declared his intention to put an end to the system of foreign protection. The case must therefore be regarded as a test one, and I am compelled to refer it to you for instructions.

4. Although, as stated above, the validity of these appointments has been contested, the custom is well established and the majority of the semsars are of this type both in the French and in the Spanish Zones. In the latter zone out of sixteen British semsars, including the one now in dispute, all but three have been appointed by non-resident British firms.

5. Whatever may be felt as to the advantage of maintaining the semsar system, there is no doubt that British merchants are greatly attached to it and would not willingly agree to its abandonment. If it is to be maintained it seems essential to insist on the recognition of the appointment made in the present instance, since otherwise the whole basis of the system will be undermined, not only in the Spanish Zone, but also in the French Zone.

6. It is I fear useless to continue the discussion with the delegate-general as he is entirely dependent on the instructions which he receives from Madrid. I would therefore recommend that the matter should be taken up direct with the competent Department of the Spanish Government.

7. Full information in regard to the system is contained in the correspondence to which Mr. Gardener refers.

8. It will be seen that Mr. Gardener suggests in the 6th paragraph of his despatch No. 16 that an arrangement might be come to under which the semsars of non-resident firms should in future be appointed by agents of such firms resident in Morocco. I am myself rather sceptical of the value of such arrangement, but it will no doubt in any case not be entertained without hearing the views of His Majesty's consul-general at Rabat, who is more competent than I to express an opinion on the subject, and to whom I am forwarding a copy of this despatch.

I have, &c.
HUGH GURNEY.

Enclosure 1 in No 6.

Acting Consul Gardener to Mr. Gurney (Tangier).

(No. 16.)

Sir, *Tetuan, February* 25, 1931.

I HAVE the honour to report that after prolonged correspondence with the Spanish authorities regarding the recognition of a certain British semsar a deadlock was reached. I therefore requested an interview with the delegate-general, Señor Aguilar, for the purpose of clarifying the situation. This interview revealed the fact that the Spanish authorities here, with the approval of Madrid, have reverted to the theory already expressed by the authorities of the French Zone that British firms non-resident in Morocco are not entitled to appoint semsars.

2. The memorandum on semsars prepared by Sir Andrew Ryan and transmitted to the Foreign Office in his despatch No. 210 of the 28th October, 1928, describes the system of protection in force in Morocco. He states that in 1921, the French authorities questioned the validity of the appointment of semsars for non-resident British firms and adds that no decision was reached on this point. Consequently the established custom was continued. The same point had also been raised as early as 1901 (see "Morocco," 1901, Part 21, p. 35). At that time His Majesty's Minister at Tangier made a declaration defending the point at issue. This declaration was apparently allowed to go unchallenged.

3. It may be useful to recapitulate briefly the negotiations in the present case. Messrs. Robert Baelz and Company (Limited), of 107–108, Upper Thames Street, London, applied to this consulate for the issue of a semsar certificate to Señor Crespin of Alcazar. After some correspondence invoices were produced showing that Crespin had bought from Messrs. Baelz and imported, mainly through Tangier, goods valued at just over £2,000, the figure agreed upon as the

standard. Enquiries as to Crespin's morality and status having been answered satisfactorily, a note was addressed to the delegate-general on the 9th May, 1930, informing him of our intention to appoint Crespin a British semsar, transmitting the documentary proofs of the volume of trade and asking him if there was any valid objection. The customary period of eight to ten weeks allowed for raising objections having elapsed, on the 25th August a further note was addressed to the delegate-general that, in the absence of valid objections, it was proposed to issue the semsar certificate on the 1st September. No reply was received to this communication and on the 9th September a further note was sent informing the delegate-general that the certificate had been issued. Actually, the certificate was not issued until the 17th September to allow still more time for the delegate-general to reply.

4. On the 29th November just after the decision had been reached to sign the King's Regulations and to transfer to Madrid the question of the settlement of claims, a long and somewhat vague letter (translation of which I enclose) was received from the delegate-general. No reply was sent to this letter, as the semsar certificate once issued could not well be withdrawn, but Crespin's name was included in the 1931 list of protégés sent annually in January. This extracted a reply from the delegate-general by which he accepted all the protégés with the exception of Crespin regarding whom he referred the consulate to his letter of the 29th November already mentioned. On the 21st January, 1931, I addressed a note (translation of which is enclosed) to the delegate-general claiming that treaty rights had not been exceeded, and that although every opportunity had been given to formulate valid objections, no such objections had, in fact, been raised. I, therefore, requested the delegate-general to revise his decision. This note was answered by one from the delegate-general ratifying his previous decision.

5. In my interview with the delegate-general, I endeavoured to avoid a discussion of principles and to concentrate on the case at issue pointing out that the protection certificate had already been issued, in accordance with usage, as no valid objection had been formulated within the customary eight to ten weeks. Señor Aguilar refused to treat the present case, except on the basis of his interpretation of the Béclard Agreement of 1863.

6. This being the case, I was unable to make any further progress as our interpretations of the relevant clauses of the Béclard Agreement are at variance. As stated above, Señor Aguilar maintains, with the approval of Madrid, that non-resident firms are not entitled to appoint semsars. He did, however, let fall a remark which, provided that the position of the existing semsars of non-resident firms is safeguarded, may offer the means of effecting the appointment of future semsars for non-resident firms. This was to the effect that he interpreted the eighth paragraph of the agreement in such a way as to make valid the appointments of semsars of non-resident firms, provided that the firm was represented in Morocco by a British subject ("comme commissionnaire"). Politically this course would seem feasible. A British subject resident in Morocco would hold the agencies of several firms and appoint two semsars for each firm. All invoices, &c., would have to be made out to him and he would have to show proof of sale to the prospective semsar. Economically, the course indicated would not be so satisfactory as it would mean that this agent would have to be paid for his labour, enhancing the price of the commodity. I am, however, rather suspicious of this suggestion as he has previously refused to recognise the ability of an agent to appoint a semsar.

7. In my opinion the phraseology of the Béclard Agreement is so vague that, while the original intention might have been to exclude non-resident firms, yet there is no clear indication to that effect. In addition, the custom of the appointment of semsars by non-resident firms has now become so firmly established that it amounts to usage (see "Morocco," Part 21, p. 35). It seems therefore that our position is relatively strong.

8. I should add that throughout the interview Señor Aguilar continually made remarks which confirmed by previous suspicions that the Spanish authorities are determined at all costs to rid themselves of the capitulatory régime. In this, I feel sure that Señor Aguilar is collaborating with the French consul, who, previous to his arrival here, was employed at Rabat. My French colleague certainly gave me to think that he had discussed the German Capitulations with the delegate-general.

9. Señor Aguilar displayed considerable resentment at one aspect of British protection. He exclaimed petulantly that British subjects and protégés never paid the taxes they should. I at once asked him for specific cases, but he would not proceed with the accusation. He is, in my opinion, resentful of the claims made for the refund of duties paid by British protégés before the issue of the King's Regulations in 1930. It is possible that Madrid has rebuked him for his failure to co-operate with this consulate in the issue of the original dahirs.

10. The present local conditions and feeling, coupled with the appointment of Don Julio López Oliván as the Director of the Moroccan and Colonies Department, lead me to venture the opinion that no agreement short of renunciation of the Capitulations can at the moment be reached by negotiations. Señor López Oliván is known to be very opposed to the régime, as he said to Mr. Pro-Consul Morillo at the time of the Max Huber Commission that if ever he got the power he would suppress all foreign protection.

11. If it is decided not to attempt to reach an agreement on the point at issue, it would seem possible to continue to protect Crespin and others in a similar position without the confirmation of the Spanish authorities or even of the Makhzen. In the first place, His Majesty's Government has never formally recognised the Spaniards in this zone, so the Makhzen alone remains to be considered. It has always been maintained that protection can be extended without the ratification of the Makhzen. This principle is laid down in Protocol No. 4 (meeting of the 28th May, 1880) of the Madrid Convention. It has, indeed, been customary to consult the authorities of the French and Spanish Zones before extending protection, but on two previous occasions appointments have been made over the heads of the Spanish authorities, who were subsequently forced to recognise the appointments before the issue of King's Regulations. I would beg to advocate that this be done in the present case, especially as I was yesterday approached unofficially regarding the issue of King's Regulations to enforce two new dahirs.

12. Copy of this despatch is being sent to His Majesty's consul-general at Rabat.

I have, &c.
A. J. GARDENER.

Enclosure 2 in No. 6.

Delegate-General to His Majesty's Acting Consul, Tetuan.

(Translation.)
Señor Consul, *Tetuan, November* 29, 1930.

WITH reference to your notes of the 9th May, the 25th August and the 9th September, requesting the recognition by this High Commission of the appointment of Don David Crespin of Alcazar as a semsar, I have the honour to inform you that, apart from the unofficial information requested by the Finance Department regarding the volume of trade carried out by the applicant, the point of view of this High Commission, based entirely on the theory maintained in the treaties, is that such a concession can only be made to the native agents or "couriers" employed by British wholesale merchants "established" in this protected zone, engaged either in the import or export trade.

Inspection has only to be made of the "Rules agreed upon by the Representatives of the Foreign Powers and Haj Dris-ben-Dris, the Sultan's Commissary," on the 20th August, 1863, at Tangier, the General Treaty between Great Britain and Morocco of 1856, and the convention between Spain, Germany, Austria, Belgium, Denmark, United States of America, Great Britain, Italy, Morocco, Norway, Holland and Sweden, over the right to protection in Morocco, signed in Madrid the 3rd July, 1880, to be convinced of the accuracy of this judgment.

It is even mentioned in the first of the above-cited agreements (whose clauses were ratified by article X of the last-named agreement), that, when a wholesale firm "has branches in different ports," it will be able to appoint two semsars for each branch.

Up to the present, in order to afford proofs of its goodwill, this High Commission has adopted in this matter, as always, a conscientious attitude of

extreme condescension, but, in view of the general attitude adopted by the beneficiaries, who, in many cases, consider themselves invested with a mistaken immunity in every respect, especially in regard to fiscal matters, this High Commission feels itself compelled to exercise the strictest care in such concessions, care which, on the other hand, strengthens the statements made in my Note No. 95 addressed to you on the 16th May last. [*Comment.*—The contents of this note are irrelevant, dealing, as they do, with the appointment of Mokhalata.]

In regard to the present case, you will doubtless have observed that 99 per cent. of the volume of trade transacted has taken place through the international port of Tangier.

I avail, &c.
T. AGUILAR.

Enclosure 3 in No. 6.

His Majesty's Acting Consul, Tetuan, to the Delegate-General.

(Translation.) *British Consulate,*
Señor Delegado-General, *Tetuan, January* 21, 1931.

I HAVE the honour to acknowledge receipt of your letter of the 14th instant referring to the appointment of Señor Crespin as a British semsar.

2. After further examination of the treaty authorities mentioned in your letter of the 29th November, there seems to me no doubt that Crespin fulfils all the requirements. He is a native merchant, established in Morocco, who imports wholesale merchandise from an English (wholesale) firm. He has transacted a sufficient volume of trade to entitle him to be appointed (you will recollect that the Diplomatic Cabinet had the opportunity of satisfying itself on this point). In addition, it is unnecessary to add that the fullest enquiries in regard to volume of trade and morality were made by this consulate before the semsar certificate was issued.

3. The fact that Tangier was the port of entry for many of the goods imported by Crespin should not, in my opinion, affect the issue. Tangier is, and always has been, a port of the Shereefian Empire, and it may suit merchants at times to import by that port. Looking at the matter from the point of view of the Spanish Zone, it would seem immaterial whether the importation is effected by land or by sea, since the customs duties accrue to the revenue of the Spanish Zone authorities.

4. Further, I would observe that in the present case a note was addressed to the Delegation-General on the 9th May informing you of the intention of this consulate to appoint Crespin a semsar, enclosing documentary proofs of the volume of trade done, and asking whether there was any valid objection to this appointment.

5. As no reply was received, a further letter was addressed to you on the 25th August, saying that, as no objection had been raised, the consulate intended to issue the semsar certificate to Crespin on the 1st September. To this letter, also, no reply was received. On the 9th September the Delegation-General Department was informed that the certificate had been issued. Thus, instead of the customary eight to ten weeks, a period of four months was allowed to elapse before the issue of the certificate.

6. In view of the above-mentioned considerations, I trust that you will see your way to waiving the objection to the appointment of Crespin as a British semsar.

I avail, &c.
A. J. GARDENER.

Enclosure 4 in No. 6.

Acting Consul Gardener to Mr. Gurney.

(No. 19.)

Sir, *Tetuan, March* 5, 1931.

WITH reference to my despatch No. 16 of the 25th February last, I have the honour to inform you that I have been approached by Messrs. H. B. Sleeman and Co. (Limited), of India House, 84, Leadenhall Street, E.C. 3, with the request that Mr. Isaac Aburbeh of Tetuan be appointed their semsar. Aburbeh presented documentary proof that he had done (mostly through Rio Martin) more than £2,000 worth of trade in the twelve months ended November last, and his moral and commercial status would, so far as this consulate is aware, entitle him to British protection.

2. In view, however, of the attitude adopted by the Spanish authorities, I do not propose to enquire if the Makhzen authorities have any "valid objections" until I am instructed by you to do so. I am informing Messrs. Sleeman that their application is being examined.

3. In the case of Crespin, the Spanish authorities have subjected him to all manner of petty annoyances to mark their displeasure at his application for foreign protection. For the last two months they have refused to give him a visa in order to travel to the French and Tangier Zones to fulfil his business engagements. They deprived him of his identity card, without which he may not venture out of doors at night without running the risk of being thrown into prison for the breach of that regulation. I have after a month's negotiations succeeded in persuading the delegate-general to cancel his order that a visa should not be given to Crespin, and I hope his identity card will be returned to him. I am, however, convinced that the Spanish authorities would not, in the event of the necessity arising, surrender Crespin either to my jurisdiction or to my protection.

4. In my opinion consideration should be given to the possibility of the French having encouraged or possibly having urged the Spaniards to raise objections over protection. The very point at issue was raised by the French in 1921. The present French consul, M. Serres, was "chef du cabinet civil" before he was appointed to Tetuan about a year ago. As such he would see a great deal of the workings of the capitulatory régime. He has, in conversation with me, betrayed a lively interest in the régime, and was fully posted in the negotiations regarding the German Capitulations (see my despatch No. 13 of the 20th February). Both the French and the Spaniards regard Capitulations as a thorn in the flesh, and it seems quite logical that they should collaborate over their abolition. I consider it quite likely that the French, not feeling themselves quite at liberty to raise the issue themselves, should be using the Spaniards as a stalking-horse.

5. If my suspicions are correct, the question at issue is not merely a local one. If the Foreign Office decides that non-resident firms have the right, based on treaty and usage, to appoint semsars, and that the Makhzen has no right to object to an appointment, I venture to suggest that no statement to the Spanish authorities would seem necessary. Action might be limited to a statement to the Madrid Government, copy of which might be communicated to the delegate-general by the consulate here.

6. If however, the Foreign Office decides that non-resident firms have no right to semsars, I beg to point out that an agreement might be drawn up on the lines suggested in paragraph 4 of my despatch No. 16 of the 25th February. Provision might be made in such an agreement for agents of British nationality to hold the agencies of and appoint semsars in the name of more than one non-resident British firm.

7. I am sending copy of this despatch to His Majesty's consul-general at Rabat.

I have, &c.
A. J. GARDENER.

[W 2831/107/28] No. 7.

Foreign Office to Mr. Gurney (Tangier).

(No. 72.)

Sir, *Foreign Office, March* 27, 1931.

I AM directed by Mr. Secretary Henderson to acknowledge the receipt of your despatch No. 32 of the 26th February last enclosing copy of a despatch from the acting British consul at Tetuan relative to the position of Germans in the Spanish Zone of Morocco. It would appear from Mr. Gardener's despatch that the Spanish Government maintain that the effect of articles 141 *et seq.* of the Treaty of Versailles is to deprive Germans of their capitulatory rights in the Spanish Zone of Morocco.

2. Mr. Henderson is advised that the contention of the Spanish Government is correct. Mr. Gardener states that Germany claims enjoyment of Capitulations in Morocco in virtue of the Convention of Madrid of 1880 and the Treaty of Fez of 1890, which confirmed the Madrid Convention of 1880. As the latter treaty is clearly a treaty between Germany and the Shereefian Empire, it is abrogated by the terms of article 141 of the Treaty of Versailles. Even if article 141 does not cover the Madrid Convention of 1880, it would appear that, in any case, Germany has renounced the régime of Capitulations in Morocco by virtue of article 142 of the Treaty of Versailles. It is true that the article speaks of "the French Protectorate in Morocco," but Mr. Henderson is advised that this expression does not imply any distinction between the French and Spanish Zones, and that the view of the French Government is probably correct, viz., that there is only one protectorate in Morocco (*i.e.*, the French) and that the Spanish Zone is part of that protectorate, the government of the Spanish Zone having been conceded by France to Spain.

3. It may be argued by the Germans that, Spain not being a party to the Treaty of Versailles, the articles of that treaty dealing with Morocco cannot be applicable to the Spanish Zone. This contention does not appear to be one which can be substantiated. Should measures be taken in the Spanish Zone to subject Germans to the local tribunals and laws, it is not understood on what ground Germany could base her objections. As shown above, any treaty rights which she may have possessed in virtue of the treaties of 1880 and 1890 have been surrendered by her under article 141 of the Treaty of Versailles, and it is not understood, therefore, how they can still remain in any part of Morocco. It would be open to Spain, without claiming any contractual rights as a party to the Treaty of Versailles, which, of course, Spain cannot do, to contend that, Germany having renounced her capitulatory rights in the whole of Morocco in a treaty with the Allied Associated Powers, she is no longer entitled to claim that they exist in any part of the country. If a humble analogy may be taken to explain the position, it may be said that Germany is in the position of a person who in a contract with A and B has expressly declared that he abandons all rights of ownership in a house and now wants to contend against C that, after all, he does own the house.

4. Copies of this despatch have been sent to His Majesty's representatives at Paris, Berlin, Rome and Madrid.

I am, &c.
C. HOWARD SMITH.

[W 3657/1195/28] No. 8.

Consul-General Edmonds to Mr. A. Henderson.—(Received April 1.)

(No. 41.)

Sir, *Rabat, March* 26, 1931.

WITH reference to despatch No. 46 of the 11th instant from His Majesty's consul-general at Tangier concerning the right of British firms established outside Morocco to appoint semsars, I have the honour to state that, so far as I am aware, the right of British firms established outside Morocco to have semsars is governed by the Franco-Moroccan ("Béclard") Agreement of the 17th August, 1863, as

confirmed by article 10 of the Convention of Madrid of 1880, so that it is neither expressly admitted nor expressly denied by treaty. The right, however, is based on well-established practice, and until their relinquishment of the Capitulations the Spanish authorities no doubt exercised it freely themselves. The only course, therefore, appears to be to resist this attempt of the Spanish Government to challenge so well-founded a practice. For this reason I would deprecate any kind of compromise such as Mr. Gardener's suggestion mentioned in the last paragraph of Mr. Gurney's despatch.

2. Mr. Gardener is probably right in his suspicion that the French authorities here regard the authorities of the Spanish Protectorate as a stalking horse, but I must say that so far I have found not the least inclination on the part of the authorities of this zone to challenge our capitulatory rights. Nevertheless, were we once to make any concession to the demands of the authorities in the Spanish Zone, the authorities of this zone would without doubt ask for a similar concession, and it would be impossible to refuse.

3. I have sent a copy of this despatch to His Majesty's consul-general at Tangier.

I have, &c.
W. S. EDMONDS.

[W 6158/1195/28] No. 9.

Consul-General Edmonds to Mr. A. Henderson.—(*Received May* 28.)

(No. 64.)
Sir, *Rabat, May* 19, 1931.

I HAVE the honour to acknowledge the receipt of Foreign Office despatch No. 60 of the 29th ultimo upon the subject of semsars in the Spanish Zone of Morocco. As any action taken in this matter must have a direct effect in the French Zone, I venture to submit the following further observations:—

2. So far as this zone is concerned, it would, I think, be quite impossible to afford protection to any semsar whose certificates were not recognised by the local authorities. Roughly, half of the 100 British semsars in this zone belong to non-resident firms. And it is the semsars of the non-resident firms, rather than the semsars of the resident firms, who are of value to British trade, for the local British merchant is nowadays forced to deal with other countries besides his own in order to make a livelihood.

3. I therefore regard it as of the greatest importance to British commercial interests in this zone that the attempt of the Spanish authorities to deny the right of non-resident British firms to have semsars in the Spanish Zone should be firmly withstood on the ground of established practice and of the other considerations brought out in the memorandum enclosed in your despatch under reference.

4. I am sending a copy of this despatch to His Majesty's consul-general at Tangier.

I have, &c.
W. S. EDMONDS.

[W 6619/1195/28] No. 10.

Mr. Gurney to Mr. A. Henderson.—(*Received June* 5.)

(No. 109.)
Sir, *Tangier, May* 28, 1931.

I HAVE the honour to acknowledge the receipt of your despatch No. 105 of the 27th April, in which you request my views as to the position which would arise in the event of it proving impossible to secure the confirmation, by the Makhzen and by the Spanish authorities, of appointments of semsars on behalf of firms not resident in Morocco, and on the possibility in such case of continuing to protect these semsars.

2. In reply I have the honour to submit that in my opinion the position that would arise would be detrimental to British trade in the extreme. It would not to my mind be possible to afford effective protection to such semsars in the face of active opposition of the local authorities, while it would be possible for the latter, without actually contravening our treaty rights, to place so many petty hindrances and annoyances in the way of such semsars as to put them, and British trade passing through their hands, at a considerable disadvantage *vis-à-vis* other traders.

3. Semsars of non-resident firms, however, are, in my opinion, of more value to British trade than semsars of resident firms and, in view of the importance attached by local British Chambers of Commerce and by British residents generally to the system of semsars, I should be extremely loth to see it abolished. I therefore submit that every effort should be made to overcome the opposition of the Spanish authorities to the appointment of semsars for non-resident firms, and to persuade the Spanish Government and the Makhzen to recognise the system, on the ground of established practice.

4. I observe from his despatch No. 64 of the 19th May that His Majesty's consul-general at Rabat concurs in these views, which are also shared by His Majesty's consul at Tetuan.

5. I have the honour to enclose copy of a further despatch from Mr. Chafy in regard to the position of Mr. Crespin, in connexion with whose appointment as semsar the present controversy has arisen. It will be seen from this despatch that the authorities decline to grant Mr. Crespin a travel permit unless he applies for it in his capacity as a Moorish subject, that is to say, without reference to his claim to British protection as semsar to a British firm.

6. I mentioned the matter to Señor Montesinos, the acting delegate-general, whom I went to see quite informally yesterday on the occasion of a brief visit which I paid to Tetuan, when I informed him that it was one to which I attached great importance and begged him to endeavour to arrange at any rate that no difficulties should be placed in the way of Mr. Crespin, pending a settlement of the question. Señor Montesinos professed ignorance of the principles involved, but undertook to study the question. I requested Mr. Chafy to go to see him in a few days' time, and to endeavour to arrange a *modus vivendi* with him.

7. From Señor Montesinos's attitude I fear that it will not be easy to move the Spanish authorities from the position which they have taken in this matter, and that it will be necessary to make strong representations on the subject, either at Madrid or at Tetuan.

I have, &c.
HUGH GURNEY.

Enclosure 1 in No. 10.

Consul Chafy to Mr. Gurney.

(No. 56.)
Sir, *Tetuan, May* 21, 1931.

WITH reference to Mr. Acting Consul Gardener's despatch No. 19 of the 5th March last, relative to the case of David Crespin of Alcazar, agent of Messrs. Robert Baelz and Co. of London, I have the honour to transmit herewith a translation of the last letter received on this subject from the acting delegate-general in reply to my further representations.

2. As the immediate complaint of Messrs. R. Baelz and Co. was that Crespin was unable to obtain a permit from the local authorities to travel about from place to place in the Spanish Zone or elsewhere on their business, I confined my note to which the enclosure is in reply to a request that the required facilities should be accorded to him. But it is quite obvious that the Spanish authorities will not recognise Crespin as a semsar.

3. As I have just written to you in my private letter of the 17th May, I suggest that I wait till permanent local authorities are appointed here before taking further action.

4. I should be glad to have your instructions in the matter. I have written to Messrs. Baelz, who keep on complaining, that we are doing all we can to help them, but that the Spanish authorities are opposing the appointment of semsars and that the question is receiving the attention of the Foreign Office.

I have, &c.
R. E. W. CHAFY.

Enclosure 2 in No. 10.

Acting Delegate-General to Consul Chafy.

(Translation.)

May 15, 1931.

Señor Consul,

WITH reference to your note of the 7th instant, I have the honour to inform you that in view of the status of a Moorish subject of Señor Crespin of Alcazarquivir, he will have to apply direct to the Spanish intervention authorities, and in the last resort to this High Commission, who will give all due attention to any claim he may lodge. I have to add that up to date he has not appeared in his capacity of a Moorish subject either before the Interventor of Larache or of Alcazarquivir.

I avail, &c.
MONTESINOS.

[W 6888/4220/28] No. 11.

Mr. Peterson to Mr. A. Henderson.—(*Received June* 11.)

(No. 253.)

Madrid, June 8, 1931.

Sir,

WITH reference to Sir George Grahame's despatch No. 169 of the 23rd April last regarding the appointment of General Sanjurjo to be High Commissioner and Commander-in-chief in the Spanish Zone of Morocco, I have the honour to inform you that the Spanish Government have now made two new appointments which prove their intention to separate these posts in future. General Sanjurjo has resumed the command of the Civil Guard.

2. The Commander-in-chief in the Spanish Zone is now to be General Miguel Cabanellas, who is at present Captain-General of Andalusia.

3. The Civil High Commissioner is to be Don Luciano López Ferrer, who has for the last eight years been Spanish consul-general in Gibraltar. Other posts in which Señor Ferrer, who is a man of 61 years of age, has served during his consular career include Manchester, New Orleans, Manila and Havana. He has also had considerable experience of official life in the Spanish Zone of Morocco, having acted as adviser to the Khalifa and also as Secretary-General of the High Commission in Morocco.

4. I am sending copies of this despatch to his Excellency the Governor of Gibraltar and to His Majesty's consul-general at Tangier.

I have, &c.
MAURICE PETERSON.

[W 6619/1195/28] No. 12.

Mr. A. Henderson to Sir G. Grahame (*Madrid*).

(No. 250.)

Foreign Office, June 12, 1931.

Sir,

I TRANSMIT herewith copies of two despatches from His Majesty's consuls-general in Tangier and Rabat from which your Excellency will observe that the authorities of the Spanish Zone of Morocco are contesting the right of British firms which are resident outside Morocco to appoint semsars.(1)

(1) Nos. 6 and 8.

2. Both Mr. Gurney and Mr. Edmonds are of the opinion that it would not be possible to afford effective protection to semsars whose certificates are not recognised by the local authorities and as the majority of the British semsars in the Spanish Zone have been appointed by British firms which are not resident in that country it is clearly necessary, if the semsar system is to be maintained, that the Spanish authorities should be induced to recognise the right of non-resident as well as of resident firms to appoint such agents. It is arguable that the semsar system is out of date, but British merchants attach considerable importance to the maintenance of a system which they regard as of value to British trade in Morocco, and feel that the abandonment of the system would inevitably react unfavourably upon the whole capitulatory system in Morocco. I therefore feel bound to take the question up and as the Spanish authorities in Tetuan are evidently acting under instructions from Madrid in this matter I shall be glad if you will address to the Spanish Government a note on the lines of the following paragraphs:—

His Majesty's Government in the United Kingdom have been informed by the acting British consul in Tetuan that objection has been raised by the authorities in the Spanish Zone to the appointment of a certain Señor Crespin as British semsar. As the Spanish Government are doubtless already aware, Messrs. Robert Baelz and Co. (Limited), of 107–8, Upper Thames Street, London, made application to His Majesty's consulate for the issue of a semsar certificate to this gentleman. After satisfactory evidence had been obtained regarding the suitability of Señor Crespin to receive such a certificate, a note was addressed to the delegate-general on the 9th May, 1930, informing him that it was the intention of the acting British consul to appoint Señor Crespin a British semsar, transmitting evidence of the volume of trade done by him and enquiring whether there was any valid objection. The customary period having elapsed, a further note was addressed to the delegate-general on the 25th August, stating that in the absence of valid objections the acting British consul proposed to issue a certificate on the 1st September. No reply was received to this communication and the certificate of semsarship was finally issued on the 17th September. On the 29th November a note was received from the delegate-general stating that in the view of the Spanish High Commission the relevant treaty provisions authorised the issue of semsar certificates only to native agents employed by British wholesale merchants established in the Spanish Zone. On the 21st January, 1931, a reply was addressed to the delegate-general in which the acting British consul pointed out that, in his view, the appointment of Señor Crespin as semsar involved no infringement of the treaty stipulations, and that as every opportunity had been given to the Spanish authorities to formulate valid objections and no such objections had been raised, it was hoped that the delegate-general would reconsider his decision.

His Majesty's Government in the United Kingdom are in entire agreement with the action taken by Mr. Gardener in this matter. They are unable to agree with the contention of the delegate-general that the treaties lay down that semsar certificates should only be granted to the agents of merchants established in Morocco. As the Spanish Government will be aware, the treaties governing this question are: (1) The Franco-Moroccan Agreement of the 19th August, 1863 (Règlement Béclard). The privileges conferred by this agreement on the agents of French merchants are enjoyed by the agents of British merchants by virtue of the most-favoured-nation provisions of the Anglo-Moroccan Commercial Convention (article 1) and General Treaty of 1856 (article 20). (2) The Madrid Convention of the 3rd July, 1880. Article 10 of the convention states that "Il n'est rien changé à la situation des censaux telle qu'elle a été établie par les traités et par la convention de 1863, sauf ce qui est stipulé, relativement aux impôts dans les articles suivants. . . ."

According to the text which was published officially by the Spanish Government (Madrid, Imprenta Nacional, 1880) in the "Documents diplomatiques" regarding the Madrid Conference of 1880, the relevant provisions of the agreement of 1863, which are thus confirmed, run as follows: "Les protégés se divisent en deux catégories: La seconde catégorie se compose des facteurs, courtiers ou agents indigènes employés par les négociants français pour leurs affaires de commerce. Il n'est pas inutile de rappeler ici que la qualité de négociant n'est reconnue qu'à celui qui fait en gros le commerce d'importation ou d'exportation, soit en son propre nom, soit comme commissionnaire."

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Thus the Spanish Government will observe that the relevant treaties contain no provisions restricting the grant of semsar certificates to the agents of firms actually established in Morocco. In addition, moreover, to being entirely consonant with the provisions of the treaties, the practice of the issue of certificates for semsars of non-resident firms is one which has received the sanction of nearly fifty years' usage. So long ago as 1880 the Madrid Convention expressly recognised the existence of semsars with the object of protecting foreign trade. As the Spanish Government will be aware, His Majesty's Government are anxious to foster and encourage British trade in all parts of the world and they will realise that it would be impossible to maintain that British firms which are not resident in Morocco should not have the same right to protection as resident British houses. They are confident that the Spanish Government will agree that every care is taken by His Majesty's representatives in Morocco to see that the native agents to whom semsar certificates are issued are fully qualified to receive them before any communication is addressed to the Spanish authorities, and they therefore trust that the Spanish Government will instruct their authorities in Morocco to withdraw their objections to the recognition of Señor Crespin as a semsar of Messrs. Baelz and Co., and to the issue of semsar certificates to agents of other non-resident British firms by whom applications for such certificates may be made.

3. I request that you will endeavour to obtain a satisfactory reply from the Spanish Government at an early date since another firm besides Messrs. Baelz have applied for a semsar certificate for their agent in Tetuan and I am anxious not to defer unduly my instructions to His Majesty's consul to comply with their request.

4. I shall be glad if you will communicate a copy of the note you address to the Spanish Government to Mr. Gurney in order that the terms of it may be made known to the Spanish authorities in Tetuan.

I am, &c.
ARTHUR HENDERSON.

CHAPTER III.—TANGIER ZONE.

(a) Financial Position.

[W 567/23/28] No. 13

Mr. Gurney to Mr. A. Henderson.—(Received January 15.)

(No. 11.)

Sir, *Tangier, January 7, 1931.*

WITH reference to my despatch No. 196 of the 31st December, 1930, I have the honour to report that my French colleague has to-day read to me correspondence he has had with the Residency-General at Rabat in regard to the new Port Loan.

2. From this correspondence it appears that the French Government do not propose to wait any longer for a reply to the communication which they addressed to the Spanish Government in October last on the subject. They accordingly intend now to inform the Tangier Administration of their proposals in regard to the loan of 42 million francs and the remission of the Tangier share of the service of the 1904 and 1910 loans. As already stated, the loan is to be issued by the Crédit foncier d'Algérie et de Tunisie, it is to bear interest at 5 per cent. inclusive of all charges, it will be taken over by the Protectorate Government and it will be issued to the Port Company under guarantee of the Tangier Administration as and when it is required. As the conditions of the loan are not such as to permit of its being placed on the market forthwith, the Protectorate Government will keep it *en portefeuille* for the present, but they are prepared to allow any Governments interested in the port to take over a part or even the whole of the loan, leaving them free to issue it to the public as they think fit.

3. As regards the service of the 1904 and 1910 loans, in order to meet the objections raised by the Spanish Government, it is proposed that Tangier shall continue to pay annually the 500,000 fr. mentioned in article 21 of the convention, but that all further obligations in this respect shall be deferred until the end of the statute. This will relieve the budget of the zone of a sum of 700,000 fr., which has hitherto been set aside annually on this account, besides making available the sum of about 4 million francs which have been held in reserve to cover the liabilities of the zone in respect to past years.

4. In making this communication to the Administration the Protectorate Government propose also to point out that the contribution of 500,000 fr. towards the cost of the customs was made primarily with a view to assisting the zone to provide for the service of the new Port Loan and that they rely on the Assembly to make the necessary effort on their part to meet the charges of this loan.

5. In his reply, M. de Witasse is stating that he understands from the Administrator that, in addition to the 700,000 fr. which will be set free in connexion with the service of the 1904 and 1910 loans, the Tangier Zone can dispose of a sum of 500,000 fr. already provided for in the budget for the service of the Port Loan, whilst it is expected that 600,000 fr. will be derived from the Patente Taxe from the beginning of 1932. It is hoped to obtain 300,000 fr. a year from the Spanish zone in respect of the customs and a similar sum in respect to the Taxe spéciale (both of which questions will be discussed at an inter-zonal meeting which is to take place very shortly), but, taking into account the 500,000 fr. contributed by the French Zone towards the cost of the customs, the Tangier Zone should thus be able to provide for the service of the new loan, even if nothing is received from the Spanish Government.

6. I had already discussed the matter with Mr. Dicken and obtained from him the same figures. He agrees with me in thinking that it is desirable to take advantage of the French offer and to proceed without delay to conclude an arrangement in regard to this loan on the basis proposed.

7. M. de Witasse told me that he had already spoken to the French members of the Assembly and he hoped that I would do the same to the British members. I undertook to do so, and I trust that our efforts may result in a modification of

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the attitude recently adopted by the Assembly in this matter, and that they will no longer insist that the whole of the service of the loan shall be provided from other quarters.

8. As I told M. de Witasse, however, I must insist that the "avenant" to be attached to the Port Concession to provide for the new conditions shall be drawn up in such a way as adequately to safeguard the interests of the zone.

I have, &c.
HUGH GURNEY.

[W 1194/23/28] No. 14.

Lord Tyrrell to Mr. A. Henderson.—(*Received February* 2.)

(No. 110.)

Sir, *Paris, January* 29, 1931.

I HAVE had the honour to report semi-officially that the Shereefian Government intended to relieve the Tangier Zone of Morocco of such charges, speaking in general terms, as would enable it to meet the service of the new Port Loan without increasing the amount of its present liabilities. I recently went into the subject in more detail with the head of the Eastern Department of the French Ministry for Foreign Affairs, and ascertained from him that the position is exactly as described in Mr. Gurney's despatch No. 11 of the 7th January.

2. I then asked Comte de Saint-Quentin whether he had considered the possible danger of leaving indeterminate the precise ultimate obligations of the zone at the termination of the statute. He said that he had not, adding, after a moment's reflection, that he did not think the danger existed. There were only two ways in which the statute could come to an end: Either the administration of the zone would revert to the Shereefian Government, or the sovereignty of the zone would pass to some other Power. In neither case could the Shereefian Government claim the payment of sums which it had itself remitted. Nor was there anyone from whom it could claim. There was no provision in the statute making the Powers responsible for the financial liabilities of the international administration.

I have, &c.
TYRRELL.

[W 1653/23/28] No. 15.

Mr. Gurney to Mr. A. Henderson.—(*Received February* 13.)

(No. 23.)

Sir, *Tangier, February* 1, 1931.

WITH reference to my despatch No. 11 of the 7th January last, I have the honour to transmit herewith copy of the letter addressed by my French colleague to the Administrator setting forth the proposals of the Protectorate Government in regard to the new Port Loan.

2. It will be seen that M. de Witasse begins by stating that the Shereefian Government have decided to contribute 500,000 fr. a year towards the cost of the Tangier Customs, mainly with the object of setting free an equivalent sum for the service of the Port Loan. He goes on to say that, so long as the present conditions of the Statute are maintained, the Shereefian Government have decided to claim as the contribution of Tangier towards the service of the 1904 and 1910 loans only the sum of 500,000 fr. hitherto included in the budget on this account. The remainder of the sums due in the past, as in the future, should be placed to a suspense account free of interest. The grant of this moratorium would maintain the principle of the debt charged to Tangier by article 21 of the Convention of 1923, whilst "en cas de prorogation du statut, avec maintien des droits et prérogatives que le Gouvernement chérifien tient de la convention de 1923, ledit moratoire serait automatiquement prorogé." These two concessions would, he says, represent a sum of 1,200,000 fr. a year, and would permit the Zone to exceed the sum of 3 million francs hitherto set aside for the service of the Port Loan.

3. The Shereefian Government will, he goes on, continue to guarantee such short- and long-term loans of the Port Company as have previously been

guaranteed by the Zone, whilst they are ready to subscribe and keep provisionally *en portefeuille* the instalments of the loan of 42 millions taken by the company and guaranteed by the Tangier Zone, and also to transfer the loan in whole or in part to any of the Governments represented in the Port Company.

4 M. de Witasse states, in conclusion, that the loan to be issued by the Crédit foncier d'Algérie et de Tunisie bears interest at 5 per cent. net, inclusive of all charges, and can be taken over by the Port Company in annual instalments as and when required by arrangement with the administration.

5. The terms of this letter were laid before the Assembly at a meeting held on the 28th January, when the enclosed resolution was adopted.(1) It will be seen that, whilst accepting in principle and "within the limits of its prerogatives" the conditions attached to the loan, the Assembly points out that the 500,000 fr. paid by the Shereefian Government represents a contribution to the cost of the customs (*i.e.*, not towards the service of the Port Loan). They recall a resolution which they adopted in December last in this connexion, asking for contributions to the cost of the customs not only from the French but also from the Spanish Zone, and they express a desire to receive detailed information in regard to the share of Tangier in the service of the 1904 and 1910 loans. The resolution goes on to authorise the Port Company to continue the work of construction during the month of February on the basis of the *avenant* to be negotiated, and to ask for an instalment of 23 million francs out of the loan as soon as the necessary *avenant* has been signed. It states, in conclusion, that the Assembly is ready to assume responsibility for the whole of the loan when the first "tranche" is issued.

6. I had previously discussed this matter with Colonel Ellis and Mr. Dicken, and this resolution is in accordance with the proposals put forward by the former. It will be seen that, in stating that the Assembly accepts the conditions offered in principle and within the limits of its prerogatives, it leaves it to the Committee of Control to adopt such attitude as it thinks fit as regards the political aspect of the Shereefian Government's proposals.

7. On a detailed examination of these proposals as formulated in M. de Witasse's letter, I have come to the conclusion that the conditions attached to the offer in regard to the service of the 1904 and 1910 loans are not acceptable, and I find that my Italian colleague, at any rate, is of the same opinion. As stated above, the Protectorate Government are not prepared to forgo the whole of the Tangier share of the service of these loans, as M. de Witasse had led us to believe some time ago would be the case, and they insist on the continuance of an annual payment. The only concession they are prepared to make is to regard the sums payable annually in excess of 500,000 fr. as being held in suspense and as liable to be called for only in the event of the Statute not being renewed in its present form. The acceptance of such an arrangement and the use of the sums concerned for the service of the Port Loan would be tantamount to granting the French Government a lien on the Zone, which would effectively prevent any modification of the Statute in any way distasteful to the French, since the latter could in such an event require the Administration or the Powers responsible for such an alteration to produce the sums in question. I do not, therefore, think that the Committee of Control would be justified in permitting the Administration to accept the offer.

8. In any event, as pointed out by the Assembly, the share of Tangier in the service of the loans has never yet been properly assessed, and before considering the offer of the Protectorate Government it will be necessary to ascertain the precise sums involved. As you are aware, it was laid down in the Statute that the assessment was to be based on the customs receipts of Tangier as compared with those of the French and Spanish Zones, and it was only for the first year that the sum of 500,000 fr. was provisionally fixed. The calculation has not been made owing to the absence of accurate figures for the Spanish Zone, and the Tangier Administration has continued to pay this sum of 500,000 fr. annually whilst setting aside a further sum to meet possible claims in the future.

9. This question was brought before the Committee of Control at its last meeting by the Italian consul-general, and on his motion it was decided to call upon the Administrator to take the necessary steps with a view to ascertaining the precise sums due from the Zone on this account.

(1) Not printed.

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10. The resolution of the Assembly will no doubt be examined by the Committee of Control at its next sitting. As at present advised, I am inclined to recommend that, whilst approving the acceptance of the loan on the terms proposed, all reserves should be made in regard to the question of the Tangier share of the service of the 1904 and 1910 loans, which might form the subject of future discussion. Before the meeting takes place, however, I hope to ascertain the view of the Spanish Government, which may influence our decision. My Spanish colleague has informed me that he has referred the matter to them by telegraph and is awaiting their instructions, the substance of which he has undertaken to communicate to me.

11. In discussing the question with him, I suggested that this would seem an opportune moment for the Spanish Government to accede to the claims put forward on behalf of the Tangier Administration in regard to the cost of the collection of customs duties on goods passing to their Zone and the allocation of the proceeds of the *taxe spéciale*. If they agreed to do so, it would assist the Zone materially to provide for the service of the new Port Loan without having to depend on such concessions as the Protectorate Government are prepared to make in regard to the service of the 1904 and 1910 loans, but I doubt very much whether they will show a more favourable disposition than in the past.

12. Mr. Dicken calculates, however, that the service of the loan can be met even without such assistance. As he has pointed out in a memorandum addressed to the Administrator, 550,000 fr. in excess of the sums necessary for the interest on the Dutch loan have already been earmarked in the budget for the service of the Port Loan, the budget itself provides for a surplus of 400,000 fr., whilst another 500,000 fr. will be available if the contribution of Tangier to the service of the 1904 and 1910 loans is limited to 500,000 fr. for this year. These sums represent a total of 1,450,000 fr., which is more than sufficient to cover the interest at 5 per cent. on the 23 millions which it is proposed to borrow this year. A further 650,000 fr. will be required to cover the interest on the whole of the loan of 42 millions, but Mr. Dicken hopes that the *patente* tax to be introduced next year will produce some 600,000 fr., and it is to be expected that, at any rate, something will be obtainable from the Spanish Zone on account of the Customs Service and the *taxe spéciale*.

13. Although this calculation allows for the disposal of a proportion of the sums earmarked for the service of the 1904 and 1910 loans, I am inclined to agree with Mr. Dicken and also with Colonel Ellis in thinking that the Zone can proceed forthwith with the negotiations for the Port Loan without waiting for a final settlement of the question of the service of the 1904 and 1910 loans. The authorisation of the loan must, however, be made conditional on the nature of the *avenant* to be attached to the Port Convention, and this will have to be scrutinised very carefully. It is important to see that it safeguards the interests of the Zone, and I propose to do my utmost to ensure that it maintains the principle of adjudication for all supplies needed for the construction of the port.

14. The Assembly also examined at its last sitting a proposal put forward in regard to an extension of the time limit for the completion of the port works which as laid down in the Port Convention expired on the 31st December last. I enclose herein a copy of the report submitted to them, from which it will be seen that it is proposed to grant an extension of twenty months.(²) The resolution proposed by the Commission on Maritime Affairs was adopted, and provision will no doubt be made for this extension in the *avenant*.

I have, &c.
HUGH GURNEY.

(²) Not printed.

Enclosure in No. 15.

French Minister to the Administrator, Tangier Zone.

M. l'Administrateur, *Tangier, le 15 janvier* 1931.

À LA demande de M. le Commissaire, Résident général de France à Rabat, Ministre des Affaires étrangères de Sa Majesté le Sultan, j'ai l'honneur de vous communiquer ci-dessous les propositions que le Gouvernement chérifien formule

en vue d'aboutir à une prompte réalisation de l'emprunt de 42 millions de la société concessionnaire, nécessaire à l'achèvement du Port de Tanger.

1. Le Gouvernement chérifien est décidé à concourir pour une somme forfaitaire de 500,000 fr. par an aux frais du fonctionnement des douanes tangéroises, dont l'activité, s'agissant d'un port de transit, bénéficie largement aux deux autres Zones du Maroc. Ce versement aurait lieu rétroactivement pour l'année 1930. Il a essentiellement pour but de dégager dans le budget de Tanger une somme équivalente qui pourrait être consacrée au service de l'emprunt du port.

2. Aussi longtemps que seront maintenues les conditions actuelles du statut, le Gouvernement chérifien, qui assure pour l'ensemble du Maroc le service des emprunts 1904 et 1910, est décidé à ne réclamer comme contribution de Tanger que la somme de 500,000 fr. inscrite jusqu'ici, à ce titre, dans le budget de la Zone. Le reste des sommes dues, tant pour le passé que pour l'avenir, serait porté à un compte de surséance sans intérêts. L'octroi de ce moratoire laisserait subsister le principe de la dette mise à la charge de Tanger par l'article 21 de la Convention de Paris du 18 décembre 1923; en cas de prorogation du statut, avec maintien des droits et prérogatives que le Gouvernement chérifien tient de la convention de 1923, ledit moratoire serait automatiquement prorogé.

Les deux avantages énoncés dans les paragraphes 1 et 2 représentent 1,200,000 fr. par an et permettent à la Zone de dépasser la somme primitive de 3 millions de francs par an prévue pour le service de l'emprunt du port.

3. Le Gouvernement chérifien continuera à donner son aval à tous les emprunts à court ou à long terme prévus par la Société du Port, lorsque l'aval préalable de la Zone leur aura été accordé.

4. Le Gouvernement chérifien est prêt à souscrire et à garder provisoirement en portefeuille l'intégralité des tranches de l'emprunt de 42 millions prélevées par la société et garanties par la Zone de Tanger.

La garantie de souscription de la Zone française ne préjuge en rien de la distribution ultérieure des titres. La Zone française est disposée à les rétrocéder, même en totalité, à un moment quelconque et au pair, aux Gouvernements représentés dans la Société du Port.

Les Gouvernements souscripteurs auraient la faculté de mettre ces titres en circulation sur leur marché national par l'intermédiaire de leurs banques après entente avec le Crédit foncier d'Algérie et de Tunisie en ce qui concerne les conditions de négociation publique.

5. L'intervention du Gouvernement chérifien a permis enfin d'obtenir du Crédit foncier d'Algérie et de Tunisie des conditions particulièrement avantageuses pour ledit emprunt : 5 pour cent net de toutes charges, amortissable en soixante ans à partir de 1938 et pouvant être prélevé par la Société du Port au fur et à mesure de ses besoins par tranches annuelles, qui seraient fixées d'accord avec l'Administration de la Zone. Ces conditions peuvent recevoir une application immédiate comme il a été dit au paragraphe 4 par la souscription, intégrale et rétrocédable au pair, de la Zone française aux tranches avalisées par la Zone de Tanger.

Veuillez, &c.
Le Ministre plénipotentiaire, Chargé du
Consulat général de France,
P. DE WITASSE.

[W 1997/23/28] No. 16.

Mr. Gurney to Mr. A. Henderson.—(*Received February* 20.)

(No. 25.)

Sir, *Tangier, February* 12, 1931.

WITH reference to my despatch No. 173 of the 12th November last, I have the honour to transmit herewith copy of the "Bulletin officiel" containing the text of the budget for 1931 as finally passed by the Assembly and approved by the Committee of Control on the 31st December.(¹)

(¹) Not printed.

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2. It will be seen that it does not differ greatly from the budget as proposed by Mr. Dicken, the receipts being put at 24,661,000 fr. (about £199,000), as compared with Mr. Dicken's estimate of 24,481,000 fr., and the expenditure at 24,215,252 fr., as compared with the estimate of 24,348,947 fr., leaving a balance of 445,748 fr. instead of one of 132,053 fr. as estimated by Mr. Dicken.

3. As regards receipts, the Assembly accepted Mr. Dicken's proposal for a consumption duty on petrol and also one for a duty on matches, which were estimated together to bring in a total revenue of 200,000 fr. for the year. They added 100,000 fr. to the estimated receipts from registration duties and 50,000 fr. to the receipts in respect of interest on deposits.

4. On the expenditure side the only point of interest is the reduction of the appropriation for the Tangier share of the service of the 1904 and 1910 loans from 1,200,000 fr. to 1 million francs.

5. In support of the proposal to increase the estimated amount to be received from interest on deposit, complaint was made of the low rate in interest received from the State Bank, amounting as it does to ½ per cent. below the French bank rate, and the Assembly adopted a resolution calling upon the administrator to ascertain whether a higher rate could not be obtained from banks other than the State Bank. Mr. Dicken has, however, called my attention to the doubtful legality of such action, even if it were desirable to deposit the funds of the zone elsewhere than with the State Bank, and I have, at his suggestion, addressed a communication to the Committee of Control recommending that this resolution should be disallowed.

6. As regards the share of Tangier in the service of the 1904 and 1910 loans, it was represented that, although an assessment of 1,200,000 fr. might have been a fair one at one time, the customs receipts of the French Zone had increased of late years, whilst those of Tangier had fallen off, and that the calculation was also affected by the depreciation in the value of the peseta. It was accordingly proposed and agreed that the sum set aside on this account should be reduced to 1 million francs. As the figure hitherto taken is in any case more or less an arbitrary one, and as the question of the continued payment of this service is under consideration, Mr. Dicken did not insist on the maintenance of that figure. He was fortunately able to prevent the money thus nominally saved from being voted for public works as some members of the Assembly desired. I have furnished a report in my despatch No. 23 of the 1st instant on the question of the remission of the Tangier share of this service in connexion with the Port Loan.

7. Mr. Dicken has expressed some apprehension lest the provision in the budget for expenditure on the customs might provoke unfavourable criticism in the Assembly. They had been led to believe that as a result of the enquiry conducted by the commission appointed by the Committee of Control last year to examine the position of the customs (see my despatch No. 123 of the 12th July last) some appreciable economy would have been effected in the cost of collection, which is admittedly excessive, and a painful impression was caused by the fact that no provision was made in this year's customs budget for any such reduction of expenditure. Mr. Dicken represented, however, that the hands of the customs authorities of the French Zone, who are responsible for drawing up the customs budget, are tied by measure taken in that zone for the increase of the salaries of the customs personnel generally, and that it would not be politic or serve any useful purpose to reject the customs budget, especially at a moment when it was hoped that the French Zone was about to show generosity to Tangier in other financial matters. Mr. Dicken was accordingly much relieved when the chapter of the budget dealing with the customs was accepted without demur. It should be noted, however, that in connexion with the contribution of 500,000 fr. from the Shereefian Government towards the cost of the customs, which appears under the heading of "Miscellaneous Receipts," the Assembly adopted a resolution to the effect that the Shereefian Government should be asked to increase their contribution to the extent necessary to reduce the percentage cost to the level of that prevailing in the French Zone, and also that the authorities of the Spanish Zone should be called upon to consent to the deduction of the cost of collection from the customs duties collected at Tangier on their behalf.

8. When the budget came before the Committee of Control I also confined myself to expressing my disappointment at the failure of the commission to achieve any material reduction in the cost of the collection of the customs.

I admitted, however, that I was somewhat disarmed by the fact that the French Zone had undertaken to contribute 500,000 fr. to that cost, and I welcomed a statement made by Mr. Dicken to the effect that the Director of Customs of the French Zone had assured him that efforts were being made to carry into effect the undertakings which he had given to the commission.

9. I do not think that any other items call for special comment. I should perhaps, however, record the fact that, as has happened on previous occasions, some members of the Assembly remarked upon the smallness of the sum received on account of the share of Tangier in the profits derived from the note issue of the State Bank. This item first appeared in the budget for 1929, when it amounted to 60,000 fr. In the last two budgets it has been increased to 70,000 fr., but, in spite of repeated enquiries, the Assembly have been unable to ascertain the basis on which the amount is calculated. When the budget for 1931 was under discussion the opinion was expressed that the amount ought to be considerably increased, and the Assembly adopted a resolution calling upon the administrator to ask for explanations, to apply for payment of arrears and to negotiate for an increase in the sum allocated to the zone.

10. The administrator professed complete ignorance as to the origin of these payments. As a matter of fact, they were, I understand, the result of representations made by his predecessor, M. Alberge, to the authorities of the French Zone in 1928. The original concession did not provide for any payment by the State Bank to the Shereefian Government on account of profits from the note issue, but the bank agreed some years ago to pay a certain percentage on the notes in circulation to be expended on the development of agriculture. No provision was made in the agreement for a participation by Tangier in this arrangement, but the Protectorate Government appear to have agreed to M. Alberge's request to make the small payment now received on this account out of the sum which they obtain from the bank without apparently admitting any compulsion to do so.

11. It appears to be only reasonable that the Tangier Zone should participate in the profits derived from the note issue, and I have pointed out to Mr. Dicken that it would seem that the administrator would be entitled to negotiate direct with the local representative of the bank, who, under article 22 of the statute, is responsible for its relations with the Administration of the Zone. The question is, however, complicated by the fact that, although the bank was granted by its earlier charter a monopoly of the note issue throughout the Shereefian Empire, Spanish bank-notes continue to circulate in the Tangier Zone, and the bank might technically require that steps should be taken for the cessation of such circulation, although they would perhaps hesitate for political reasons to do so.

12. A special budget for the gendarmerie was accepted by the Assembly at the same time as the ordinary budget, providing for an expenditure of 2,430,105 fr. This sum is in excess of the amount laid down in the protocol, which provided that the payment by the zone should be limited to 1,500,000 fr. a year, and that the French and Spanish Governments should each contribute 350,000 fr., making a total of 2,200,000 fr. When the budget came before the Committee of Control I asked my French and Spanish colleagues whether their Governments were prepared to accept this increased liability, as they did last year, and, though they were without instructions, they expressed the conviction that they would not refuse to do so.

I have, &c.
HUGH GURNEY.

[**W 1653/23/28**] No. 17.

Foreign Office to Mr. Gurney (Tangier).

(No. 52.)

Sir, *Foreign Office, February* 24, 1931.

I AM directed by Mr. Secretary Henderson to inform you that he has given careful consideration to your despatch No. 23 of the 1st February on the subject of the proposals made by the Protectorate Government, with a view to facilitating the payment by the International Administration of the service of the new Port Loan.

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413/81
PUBLIC RECORD OFFICE, LONDON

2. These proposals comprise two offers: the first is for an annual contribution of 500,000 fr. to the cost of the collection of customs in Tangier. This offer the International Administration are disposed to accept, and the Secretary of State is of the opinion that they would be well advised to do so. The second offer is that the share of the zone in the service of the Moroccan loans of 1904 and 1910 should be limited to the 500,000 fr. mentioned in article 21 of the Tangier Convention. This article prescribes that the share of the zone in the service of these loans shall be calculated annually on the ratio borne by the customs receipts collected by the zone to the aggregate of the receipts collected in the ports of the three zones of Morocco. The French Government, as you will observe from the copy of Lord Tyrrell's despatch No. 110, which is enclosed herein, assume that there is nothing in this article to debar the Protectorate Government from fixing the share of the zone at a figure which is not exactly proportional to this ratio. Mr. Henderson is advised that the French Government are correct in this assumption, and that the provisions of article 21 can in no way affect the right of the Protectorate Government to remit any portion of the share normally payable to them by the two other zones in the same way as any creditor may forgo any part of the debts due to him.

3. It is, however, not at all clear to Mr. Henderson what advantages will be derived by the zone from this offer. At present, as the exact share of the Tangier Zone has never been fixed, the sum of 500,000 fr. has been paid annually to the Protectorate Government, and a further sum of 700,000 fr. has been budgeted for and placed to reserve to meet obligations above this figure. The Protectorate Government propose to require the payment only of this same sum of 500,000 fr. on the understanding that the remaining 700,000 fr. will thereby be made available for the service of the new Port Loan. The Protectorate Government, however, require that any sums which may be found due from the zone after the calculation foreseen in article 21 has been made, should be placed to a suspense account without interest. If, at the termination of the statute it should be desired to modify its terms in a manner unacceptable to the French Government, the Protectorate Government would be able to insist upon the payment of all the sums credited to the suspense account. These sums, having been devoted to the service of the Port Loan will not be available; hence it follows that the Tangier Powers will either have to find the money or forgo the modifications of the statute which they desire. The advantages conferred on the zone by the second Protectorate offer seem, therefore, really to consist of nothing more than a remission of the interest on the sums due above 500,000 fr., while its disadvantages consist of giving the Protectorate Government a veto over all modifications of the statute, and, at the same time, of saddling the zone with a fixed payment of 500,000 fr. in respect of the service of a loan which is being steadily amortised.

4. In these circumstances, Mr. Henderson concurs in your proposal to recommend that, whilst approving the acceptance of the Port Loan on the terms proposed, the Committee of Control should make all reserves in regard to the question of Tangier's share in the service of these loans which should form the subject of future discussions with the Protectorate Government. The object of such discussions should, it appears to Mr. Henderson, be to secure the conclusion of some written agreement with the Protectorate Government such as will definitely relieve the zone of any payments above 500,000 fr. a year, and will enable them to participate in the benefits accruing to the other zones from the amortisation of these loans, when the amounts paid annually by the French and Spanish Zones have fallen to an agreed figure. Before such an agreement can be concluded, it will clearly be necessary for the administrator to work out the exact figures of the share in the service of these loans, which the zone is bound to pay under article 21 of the convention. If these figures show that Tangier's share should be more than 500,000 fr., the Protectorate Government will have to be asked whether their present offer still holds good.

5. In urging the Protectorate Government to conclude the necessary agreement, it would appear that the Administration could make use of the three following arguments:—

(i) The French representative on the Committee of Control offered, in return for a favourable decision on the gold francs case, to secure from the Protectorate Government the remission of the whole of Tangier's share in the service of these loans.

(ii) The remission of payments over 500,000 fr. is made for the purpose of enabling the zone to meet the service of the new Port Loan; these sums must, therefore, be spent, and it is manifestly impossible that any responsibility can be left on the zone for their eventual repayment.

(iii) The loans are being amortised and the payments due by the Protectorate Government and the Spanish Zone will, therefore, decrease in amount. It is only equitable that the share borne by the International Zone should also be reduced in proportion.

6. I am to request that you will furnish Mr. Henderson with your views on the possibility of some agreement, such as that suggested above, being concluded with the Protectorate Government. On the face of it, it seems improbable that the Protectorate Government will receive with much favour the proposal of the International Administration to accept the advantages offered by their contribution to the customs expenses, while refusing any arrangement such as would enable the Protectorate Government to recoup themselves later for the remission of immediate payment of the full amount of the service of the Moroccan loans. It appears, unfortunately, impossible to make any other arrangement without giving the Protectorate Government a lien over the zone and imposing on the zone obligations which would pass to any Power which may succeed the International Administration. Should the Protectorate Government prove unwilling to conclude such an agreement, it will be necessary for the Administration to continue to budget for the full amount of the service of the loans due from the Tangier Zone, and it will, therefore, become necessary to seek fresh sources of revenue. Further taxation would, it appears, be unacceptable to the inhabitants of the zone; the authorisation of gambling is strongly opposed by the Spanish Government; it therefore seems important that the Administration should endeavour finally to induce the Spanish Government to make a contribution to the cost of the customs proportionate to that which the Protectorate Government have agreed to make, and to meet the claims of the zone in the matter of the *taxe spéciale*.

I am, &c.
C. HOWARD-SMITH.

[**W 2832/23/28**] No. 18.

Mr. Gurney to Mr. A. Henderson.—(*Received March* 12.)

(No. 33.)

Tangier, February 27, 1931.

Sir,

IN my despatch No. 23 of the 1st February I had the honour to report that the Assembly had examined, at a sitting held on the 28th January, the terms of a letter in which my French colleague communicated to them the proposals of the Shereefian Government in regard to the new Port Loan.

2. I regret to state that I find that the text enclosed in my despatch was the text of the resolution as proposed, and not of that finally adopted by the Assembly. I now have the honour to transmit the latter text.

3. It will be seen that the decision of the Assembly was to the following effect:—

(1) They agreed to accept in principle the loan of 42 million francs to be issued by the Crédit foncier d'Algérie et de Tunisie at 5 per cent., but they did not accept the conditions which M. de Witasse attached to the offer of the Shereefian Government in regard to the service of the 1904 and 1910 loans.

(2) They stated that the 500,000 fr. handed over by the Shereefian Government represented a contribution to the cost of the Customs, implying that it could not be regarded as earmarked for the service of the Port Loan.

(3) They recalled a resolution passed in December 1930 in which they asked for increased contributions towards the cost of the Customs, and expressed the hope that the Spanish Government would also contribute.
(4) They asked for particulars in regard to the share of Tangier in the service of the 1904 and 1910 loans in order to ascertain the sum involved in the proposal of the French Government.
(5) They authorised the Port Company to continue the construction of the port during the month of February on the conditions to be laid down in the forthcoming *avenant*.
(6) They asked for a first instalment of 23 million francs on account of the loan to be issued as soon as the *avenant* had been signed.
(7) They agreed to assume responsibility in principle for the whole of the loan from the moment that the first instalment is issued.
(8) Finally, they called upon the Finance Commission to consider what resources could be devoted to the payment of the service of the loan.

4. This resolution came before the Committee of Control on the 23rd instant, when it was approved almost without discussion.

5. Attention was, however, called to the fact that the Committee of Control had already decided at its last sitting to ask the Administrator to arrange with the other zones for an understanding as to the amount due from the Tangier Zone in respect of the service of the 1904 and 1910 loans as provided in the statute.

6. Although we were not called upon to discuss the terms of M. de Witasse's letter in regard to the service of these loans, I thought it well to point out that I felt that the Committee of Control could not authorise the acceptance of the conditions attached by the Shereefian Government to the proposed moratorium, inasmuch as it would be tantamount to undertaking that no modifications would ever be made in the statute. I did this with a view to eliciting an explanatory statement from M. de Witasse, who I knew was prepared to furnish one, and I enclose herein an extract from the *procès-verbal* of our sitting containing the text of the statement which he made. It will be seen that he explained that, in saying that the proposed moratorium will last so long as the present conditions of the statute are maintained, the Shereefian Government do not mean that the statute may not be altered in any of its details, but that, if it is revised, it must still provide that the zone will continue to form an integral part of the Shereefian Empire, and that the international régime established for the benefit of the foreign colonies does not infringe "the rights of the Sovereign over his own subjects."

7. I told M. de Witasse that I could not express any opinion on his declaration until I had had an opportunity of studying it. Now that I have received the text, I am inclined to think that the Committee of Control would not be justified in accepting any conditions of the kind, which must inevitably fetter the liberty of action of the Governments which we represent if and when the statute comes up for revision.

8. My Portuguese colleague was, I found, much interested in this question. As you are aware, the Portuguese Government would like to have a second Portuguese member in the Assembly, and M. Barjona expressed to me the fear lest the original formula might prevent the adoption of such a proposal, which would have the effect of reducing the French preponderance in the Assembly.

I have, &c.
HUGH GURNEY.

Enclosure 1 in No. 18.

Délibération portant Acceptation des Conditions offertes par le Gouvernement chérifien, en vue d'un Emprunt de 42 *millions nécessaire à l'Achèvement du Port de Tanger.*

L'ASSEMBLÉE, saisie des propositions formulées par le Gouvernement chérifien en vue d'un emprunt de 42 millions nécessaire à l'achèvement du port de Tanger,

Décide :

1. D'accepter en principe, et dans les limites de ses prérogatives, les conditions offertes pour cet emprunt, contenues dans le §5 des propositions

formulées par le Gouvernement chérifien. Toutefois, l'Assemblée fait remarquer que le versement de 500,000 fr. par le Gouvernement chérifien est fait au titre de contribution aux frais de la Douane de Tanger.

A cette occasion, l'Assemblée rappelle sa délibération du 22 décembre 1930 relative au budget de la Douane. Elle exprime, en outre, le désir d'avoir des précisions sur la part de Tanger dans le service des emprunts 1904–10, de façon à être fixée sur le montant des sommes qui feront l'objet du moratoire;

2. D'autoriser la société à continuer l'exécution des travaux pendant le mois de février 1931, étant entendu que leur règlement sera fait aux conditions de l'avenant à intervenir;

3. De demander qu'une première tranche de 23 millions, pour les règlements à faire en 1931, soit émise dès que l'avenant aura été signé.

4. En principe, l'Assemblée se déclare prête à donner son aval pour l'ensemble de l'emprunt, aval qui sera donné au moment de l'émission de la première tranche.

5. Afin de préciser quelle sera la répercussion de cet emprunt sur le budget, la Commission des Finances est chargée d'étudier, dans le plus bref délai possible, les ressources qui peuvent être affectées au paiement du service de l'emprunt.

Enclosure 2 in No. 18.

COMITÉ DE CONTRÔLE.

(Extrait du Procès-verbal de la Séance tenue le 23 Février 1931.)

Délibération portant Acceptation des Conditions offertes par le Gouvernement chérifien en vue d'un Emprunt de 42 *millions nécessaire à l'Achèvement du Port de Tanger.*

MR. GURNEY se demande si le Comité de Contrôle peut donner son accord à une proposition qui comporte, de la part du Gouvernement chérifien, une réserve qui rendrait impossible toute modification au statut.

En effet, le Gouvernement chérifien subordonne à la prorogation du statut "dans les conditions actuelles" la libre disposition par la zone des sommes mises en surséance.

M. de Witasse répond que la promesse de moratoire émanant du Gouvernement chérifien est, en effet, conditionnelle. Le texte soumis à l'Assemblée déclare que ce moratoire durera "aussi longtemps que seront maintenues les conditions actuelles du statut . . . ." et il ajoute : "en cas de prorogation du statut avec maintien des droits et prérogatives que le Gouvernement chérifien tient de la convention de 1923, ledit moratoire serait automatiquement prorogé."

Il s'agit seulement ici de ce qui est essentiel dans l'équilibre du statut où la Zone de Tanger, demeurée partie intégrante de l'Empire, a été pourvue, dans l'intérêt des colonies étrangères, d'une administration à caractère international qui ne saurait empiéter sur les droits du Souverain à l'égard de ses propres sujets.

Ce n'est donc pas parce qu'un détail aura pu être modifié dans cette organisation, lors des pourparlers de renouvellement (tel que le changement de nationalité d'un fonctionnaire ou d'un officier de second ordre) que le Gouvernement chérifien fera jouer la clause dont s'inquiète Mr. Gurney.

M. de Witasse s'est assuré que telle est la manière de voir du Gouvernement chérifien.

[**W 5712/23/28**] No. 19.

Mr. Gurney to Mr. A. Henderson.—(*Received May* 18.)

(No. 80.)
Sir, *Tangier, May* 5, 1931.

I HAVE the honour to transmit herewith copy of a memorandum which has been submitted to the Administrator by the Director of Finance in regard to the financial position of the zone.(1)

(1) Not printed.

2. From this memorandum it will be seen that the receipts for the first quarter of the year show a serious diminution as compared both with receipts for last year and with the budgetary estimates. Receipts from the customs and *taxe spéciale* show a falling off of approximately half a million francs, whilst there is also a considerable reduction in the receipts from registration duties. On the other hand, there is a welcome increase in the receipts from consumption duties.

3. Mr. Dicken estimates that, if there is no improvement on these figures during the remainder of the year, there will be a deficit of some 3 million francs at the end of the year. To cover this deficit Mr. Dicken has at his disposal 1 million francs set aside as statutory reserve, a million francs still lying in the "Fond de Réserve" and 4 million francs earmarked for the arrears of the service of the 1904 and 1910 loans, making a total of 6 millions, quite apart from a sum of about 2,400,000 fr. which has been voted from the Reserve Fund for public works to be executed in the course of this year. In addition to this he hopes to effect a saving on the sums due on account of the Tangier–Fez Railway.

4. Whilst therefore Mr. Dicken has sufficient sums in hand to cover any probable deficit for the current year, he would have to draw seriously on the reserves and to encroach upon the fund set aside for the service of the 1904 and 1910 loans, which is at present only conditionally available and which may be required later on to provide for the service of the new Port Loan.

5. If the present trade depression continues, and if there is no improvement in customs receipts, the situation may prove critical next year, and steps will have to be taken to provide fresh sources of revenue. As you are aware, and as is recalled by Mr. Dicken in his memorandum, the Administration are already endeavouring to obtain increased contributions from the other zones in connexion with the customs and to secure the retention of the whole of the *taxe spéciale* levied at Tangier. They are also trying to arrange with the other zones for the unification of consumption duties and the adoption of other measures calculated to facilitate commercial intercourse between the three zones. It had been hoped that a discussion of these questions could have taken place in the course of last month, but it has had to be postponed owing to recent events in Spain.

6. As Mr. Dicken recalls, the Administration are also endeavouring to arrange for the introduction of gambling and the *patente* tax.

Copy to Rabat.

I have, &c.
HUGH GURNEY.

(b) Electric Light Concession.

[W 2421/24/28] No. 20.

Mr. Gurney to Mr. A. Henderson.—(*Received March* 3.)

(No. 31.)

Sir, *Tangier, February* 23, 1931.

WITH reference to my despatch No. 19 of the 27th January, I have the honour to report that a meeting took place on the 21st instant between certain members of the Committee of Control and myself on the one side, and the French and Spanish engineers and Mr. Dicken, the Director of Finance, on the other, with a view to examining the objections which we had raised to the terms of the proposed electric light concession.

2. After a certain amount of progress had been made and the engineers had agreed to try to arrange with the company for some of the amendments for which we had asked, the meeting was postponed until to-morrow.

3. I understand that, as a result of a request which I put forward, representatives of the concessionary companies are coming to Tangier for the purpose of discussing the matter with us, and I hope that we may be able to secure substantial improvements in the terms of the concession.

4. The question came up again for discussion in the Committee of Control to-day, when my Portuguese colleague, as president, informed the committee of

our preliminary meeting. M. de Facendis, my Italian colleague, took advantage of the opportunity to raise again the whole question of principle, as he had informed me beforehand that he proposed to do. He pointed out that seven months had elapsed since the question first came before the Committee of Control. On that occasion the majority of the commission had expressed the view that this concession ought to have been submitted to adjudication. They had, however, agreed on grounds of equity that an exception to the rule might be made if (1) the question of principle were first raised and settled, and (2) the concession were examined with a view to ascertaining how far it could be modified from the financial point of view and in the public interest.

5. The question of principle had, he continued, not yet been referred to the Governments and no disposition had been shown to accept any modification of the concession. On the other hand, the local press had published inopportune and unjustifiable articles, laying on the Committee of Control the blame for the delay in dealing with the question. He thought it was high time that something were done to accelerate a settlement, and he moved that a resolution should be adopted to the effect that, "In conformity with treaty stipulations, concessions cannot be accorded at Tangier except as a result of adjudication." If such a motion were adopted he would recommend that the Committee of Control should continue to maintain the same conciliatory attitude as they had shown hitherto in the examination of the concession with a view to seeing whether they could recommend that an exception should be made in this case.

6. I expressed my concurrence in M. de Facendis's proposal, which, I said, if I interpreted it rightly, was solely dictated by a desire to accelerate a decision in the matter with a view to obviating the necessity of awaiting the result of the reference of this question to the Powers through the French Government. If it were adopted we could proceed without delay with our negotiations in regard to the concession with a view to ascertaining whether it could be modified to such an extent as to justify our recommending our Governments to agree to an exception being made to the principle of adjudication.

7. As my other colleagues had no views to express, M. Barjona, the president, proceeded to ask members, in turn, whether they accepted the motion. M. de Witasse stated that he could not do so. He could not, he said, admit the principle that concessions could not be granted without adjudication, but when I pressed him to state on what treaty he based this attitude, he declined to make any further statement. My Belgian colleague, who was next asked, stated that he must refer the matter to his Government. The Dutch consul-general is ill and was represented by his vice-consul, M. de Testa. When the latter was asked his views, he stated that he would prefer that the course originally adopted should be pursued and that the views of the Governments should be awaited, although he expressed his personal opinion that adjudication was necessary. The Spanish Minister, who has difficulty in following our discussions on account of his deafness, hesitated for some time to express any opinion, but ultimately stated that he agreed with M. de Witasse.

8. At this stage M. de Witasse intervened and suggested that a different motion should be put, and, after some discussion, his proposal was adopted and a motion was ultimately accepted by all of us in the following terms:—

> "Le Comité de Contrôle, dont la majorité a exprimé l'avis que, aux termes des traités, les concessions à Tanger doivent nécessairement faire l'objet d'une adjudication publique, accepte néanmoins d'examiner la concession d'électricité sans que sa décision puisse être invoquée à un titre quelconque comme constituant un précédent."

9. It will be seen that it explicitly recognises that the majority of the Committee of Control hold that concessions must be submitted to adjudication, and that if the present concession is allowed it will be regarded as an entirely exceptional measure and will not constitute a precedent. It is therefore practically identical with that proposed by M. de Facendis and appears to safeguard the principle to which His Majesty's Government are attached. I am therefore inclined to think that it will not be necessary further to press the French Government to submit the question to the other Governments, and, if adequate modifications can be obtained in the concession, I propose to recommend in due course that His Majesty's Government shall authorise me to agree to its acceptance

without further delay, as an exception. It will, however, no doubt be held that, once having admitted the principle of adjudication, the Committee of Control are not entitled to agree to any derogation from it without the consent of all the Powers interested, including, of course, the United States of America.

I have, &c.
HUGH GURNEY.

[W 3334/24/28] No. 21.

Foreign Office to Mr. Gurney (Tangier).

(No. 74.)
Sir, *Foreign Office, March* 30, 1931.

I AM directed by Mr. Secretary Henderson to state that he has considered your despatch No. 31 of the 23rd February reporting a discussion which took place in the Committee of Control that day on the subject of the electric light concession at Tangier.

2. The formula proposed by M. de Witasse appears to Mr. Henderson to be satisfactory; and His Majesty's Government in the United Kingdom are ready in the circumstances to concur in your recommendation not to press the French Government to submit the question of principle to the other Governments concerned. I am to attach a copy of a despatch to His Majesty's Ambassador at Paris in this connexion.(1)

2. I am to enclose also copies of a private letter, dated the 21st March, from Mr. Cox, first secretary of the United States Embassy in London, and of the reply returned thereto. The Secretary of State would be glad if you would use your good offices with the International Administration with a view to their moving the French Resident-General at Rabat to reply to the United States protest on the lines suggested by Mr. Cox. Even though M. de Witasse's formula uses the words "aux termes des traités," it is most important that the acquiescence of the United States Government in the proposed derogation should be secured and officially recorded. If the Protectorate authorities are reluctant to do anything which might be construed as an admission on their part that the United States attitude is justifiable, you might perhaps arrange that the Resident-General at Rabat should simply reply to Mr. Blake's protest by communicating to him a copy of M. de Witasse's formula and inviting him, in the circumstances, to withdraw his protest in this case. If the Protectorate Government cannot be induced to take this step, or Mr. Blake persuaded to defer to it, you might perhaps, with the consent of the latter, arrange to make a suitable reference to the treaty position of the United States of America at a meeting of the Committee of Control for purposes of record.

4. A copy of this despatch is being addressed to His Majesty's Ambassador at Paris.

I am, &c.
C. HOWARD SMITH.

Enclosure 1 in No. 21.

Mr. Raymond Cox to Mr. Howard Smith.

(Private and Confidential.) *United States Embassy,*
Dear Howard Smith, *London, March* 21, 1931.

ATHERTON, who has gone on leave, wrote you on the 19th January, 1931, a private and confidential letter regarding the attitude of the United States Government with respect to the electric light concession in Tangier, to which letter you sent a reply dated the 4th February. The information in your letter was duly conveyed to the Department of State, which has now replied that in principle it is, of course, opposed to the granting of this concession without proper public adjudication, but that it is not unmindful of the practical considerations involved. However, I can inform you quite informally that the

(1) No. 22.

Department of State will be willing to accept the grant of this concession as an exception. The difficulty is to be found in the fact that it is illogical for the American diplomatic agent at Tangier to follow up an unanswered protest by a note which extends approval to the grant on the basis that it is an exception and without prejudice to principle. Were the Shereefian Government, that is the French, to address a note to the diplomatic agent and request the United States Government's approval of the grant on the basis that such a grant would be exceptional, the State Department would be glad to authorise Mr. Maxwell Blake to extend the United States Government's approval.

May I enquire whether the Foreign Office would not suggest this procedure to the French?

Yours sincerely,
RAYMOND COX.

Enclosure 2 in No. 21.

Mr. Howard Smith to Mr. Raymond Cox.

(Private and Confidential.)
My dear Cox, *Foreign Office, March* 30, 1931.

I WAS on the point of writing to Atherton again on the subject of the electric light concession at Tangier when I received your private and confidential letter of the 21st March, for which very many thanks.

The majority of the Committee of Control have, our consul-general at Tangier has reported, proved to be in favour of insistence upon public tender. The French member, however, at an animated meeting of the committee on the 23rd February, refused to accept a proposal put forward by his Italian colleague. The latter suggested that the committee should declare themselves ready to maintain their conciliatory attitude regarding this particular concession, subject to the prior adoption of a motion that, "In conformity with treaty stipulations, concessions cannot be accorded to Tangier except as a result of adjudication." M. de Witasse would give no reasons for his refusal to accept this suggestion; but, somewhat unexpectedly, proposed an alternative motion, which, after some discussion, was ultimately adopted by all present, in the following terms:—

> "Le Comité de Contrôle, dont la majorité a exprimé l'avis que, aux termes des traités, les concessions à Tanger doivent nécessairement faire l'objet d'une adjudication publique, accepte néanmoins d'examiner la concession d'électricité sans que sa décision puisse être invoquée à un titre quelconque comme constituant un précédent."

We have examined this formula, and have come to the conclusion that it is satisfactory to His Majesty's Government in so far as the concession at issue is concerned. The Secretary of State still thinks, however, that it is most important that the United States Government should, if possible, be associated with the acceptance of the formula. Mr. Gurney is, accordingly, being instructed to endeavour to secure that effect is given to your suggestion.

Yours sincerely,
C. HOWARD SMITH.

[W 3334/24/28] No. 22.

Mr. A. Henderson to Lord Tyrrell (Paris).

(No. 685.)
My Lord, *Foreign Office, March* 30, 1931.

WITH reference to my despatch No. 263 of the 5th February on the subject of the electric light concession at Tangier, I transmit to your Lordship herewith a copy of a further despatch which I have received from His Majesty's consul-general at Tangier, and of the reply which I have caused to be returned thereto.(1)

(1) Nos. 20 and 21.

2. As you will observe, it has been decided to accept Mr. Gurney's recommendation that the French Government should not be further pressed to submit the principle to the other Governments concerned. It will not therefore now be necessary for you to continue to urge upon the French Government the early circulation of the questionnaire agreed upon.

I am, &c.
ARTHUR HENDERSON.

[W 3594/24/28] No. 23.

Mr. Gurney to Mr. A. Henderson.—(*Received March* 31.)

(No. 59.)

Sir, *Tangier, March* 25, 1931.

IN my despatch No. 31 of the 23rd February I had the honour to report the progress which had been made towards a settlement of the questions connected with the proposed electric light concession.

2. I stated that I understood that representatives of the concessionary companies were coming to Tangier for the purpose of discussing with certain members of the Committee of Control and myself the terms of the concession. The representatives in question duly arrived in Tangier, and discussions took place with them on the 25th and 27th February, when my colleagues and I formulated the modifications to the concession which we considered to be the least that we could ask in order to render it acceptable to our Governments.

3. These proposals were referred to the companies themselves, and a letter was subsequently received from them, in which, whilst agreeing to some of the modifications proposed, they expressed their inability to adopt those to which my Italian colleague and I attach special importance.

4. This reply was examined at a meeting of the Committee of Control held on the 13th instant. My Italian and Portuguese colleagues, with whom I had previously discussed the matter, agreed with me in thinking that, as the concession was still unacceptable to us, and we could not therefore ask our Governments to allow an exception in this case to the principle of adjudication, we ought to insist that the Committee of Control should veto the law granting it. We found, however, that our Dutch colleague was not prepared to go so far as this, and wished to give the companies a further opportunity of modifying the terms of the concession, and we could not therefore obtain a majority in support of our view. Nevertheless, when the meeting took place my Portuguese colleague, as president, took the initiative in proposing that this veto should be pronounced. My French colleague thereupon proposed a motion to the effect that the matter should be referred back to the Assembly with a suggestion that they should endeavour to persuade the companies to agree to the modifications for which we had asked. My Italian colleague supported M. de Witasse's motion, and as I found that it would not be possible to insist on the veto, I ultimately agreed that a letter should be addressed to the administrator stating that, although we ought to have vetoed the measure forthwith, yet we were still prepared to ask our Governments to sanction an exception being made to the principle of adjudication if the concession were modified as we desired.

5. When the letter was in preparation my French colleague endeavoured to reopen the whole question and to get the letter drafted in such a way as to leave the question of principle undecided. He even went so far as to refer, in the course of a final discussion which took place yesterday, to the notes which were exchanged between the French and Spanish Governments on the 7th February, 1924, in connexion with the signature of the Tangier Convention, in which the two Governments undertook to endeavour to bring about an agreement between the Spanish company which now holds the electric light concession and a French group for the exploitation of electricity at Tangier, and stated that, as His Majesty's Government, to whom these notes had no doubt been communicated, had not raised any objection to this proposal, it was to be assumed that they did not oppose the grant of a concession to such a group without adjudication.

6. I stated, and in this was supported by my Italian colleague, that no such implication could be admitted, and that neither His Majesty's Government nor

the Italian Government were in any way committed by these notes. We said, however, that the fact of the exchange of the notes was one of the considerations which had influenced us in admitting the possibility of approaching our Governments in the matter. I would refer in this connexion to the last paragraph of your despatch No. 149 of the 21st June, 1930, in which I was informed that His Majesty's Government were in no way bound by these notes.

7. After considerable discussion, in the course of which I called attention to the failure of the French Government to act on the request of the Committee of Control that the other Governments should be consulted with a view to dissipating any doubts which might exist as to the interpretation of the statute, my Italian colleague eventually produced a draft letter, which was subsequently accepted unanimously. From the copy which I enclose herein it will be seen that the Committee of Control definitely recognise in it that, according to the treaties in force, concessions at Tangier must be granted by adjudication. They express, however, their willingness to ask the Governments concerned to agree to an exception being made to this principle in the case of the present concession if certain modifications are made in it. I think that, although the letter might have been better worded, it sufficiently safeguards the principle at stake. It remains to be seen whether the companies will be prepared to give way on the points which we have specified or whether they will offer other concessions.

8. It is difficult for me to form an adequate appreciation of the terms of the concession in the absence of independent expert advice, but it appears to me that the concession in its present form is too one-sided to be acceptable. I am all the more disinclined to recommend an exception since I have been given to understand that an offer is likely to be forthcoming shortly from the company, which, as you are aware, hold a concession for the construction of hydraulic works on the Oued Laou in the Spanish Zone, and will within the next few years be in a position to supply electricity at very low rates, not only throughout the Spanish Zone, but also in Tangier. The company put forward an offer last summer, but it was ultimately withdrawn when an arrangement was come to between them and the two companies to whom it is proposed to grant the concession. They have since reappeared in the field, and have been in communication with the company which represents the interests of the Marquess of Bute at Tangier and which have recently installed a considerable electric power plant for the purpose of supplying a new hotel which they have built. If this arrangement is concluded, this power plant could be used for the supply of current to the town pending the completion of the Oued Laou works and also as a reserve plant afterwards. Although, however, the first-mentioned company have a powerful backing, I do not know how far they will be able to resist the pressure which will no doubt be brought to bear on them by the French interests involved in the proposed concession not to break away from the group, and it is by no means certain that the proposal will ultimately materialise.

I have, &c.
HUGH GURNEY.

Enclosure in No. 23.

Committee of Control to the Administrator, Tangier Zone.

M. l'Administrateur,

PAR lettre du 30 août dernier, le Comité de Contrôle vous a fait connaître qu'il désirait surseoir à sa décision concernant la loi votée par l'Assemblée législative le 29 juillet 1930, portant concession du monopole de la distribution de l'électricité à Tanger.

Le Comité de Contrôle chargé de veiller à l'application des textes qui régissent à Tanger le principe des concessions, en examinant la loi susdite, a dû constater que les textes mêmes manquent de précision. Il a pourtant estimé que, d'après les traités en vigueur, les concessions à Tanger doivent être accordées suivant le système de l'adjudication publique.

Notre comité, néanmoins, prenant en considération les circonstances spéciales dans lesquelles la concession en question a été contractée, a consenti à procéder à

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son examen, en spécifiant que sa décision ne prévaudrait point contre les principes et ne saurait être invoquée comme précédent.

Il s'est ainsi déclaré prêt à demander aux Gouvernements statutaires d'admettre une dérogation au principe de l'adjudication, à la condition expresse qu'il en découlerait pour la zone des avantages non douteux.

Après un examen contradictoire de la concession et du cahier des charges, le comité estime ne pouvoir recommander ladite dérogation que sous réserve des modifications énumérées dans la note ci-jointe(1) et qui représentent pour l'autorité concédante et pour le public une amélioration sensible des conditions proposées.

Veuillez, &c.

(1) Not printed.

[**W 6621/24/28**] No. 24.

Mr. Gurney to Mr. A. Henderson.—(*Received June* 5.)

(No. 111.)

Tangier, May 30, 1931.

Sir,

WITH reference to my despatch No. 65 of the 14th April last, I have the honour to report that the question of the electric light concession again came up for discussion in the Committee of Control yesterday.

2. As reported in my despatch above mentioned, the proposed modifications in the terms of the concession were communicated by the Administrator to the Assembly. The latter considered them at their last meeting and approved them with certain minor alterations. At yesterday's meeting the Committee of Control were informed by the Administrator, who was present, that these modifications as amended had been accepted by the two companies to whom it is proposed that the concession should be granted. In accordance with our original decision, we therefore each undertook to approach our Governments in the matter and ask them to consent to an exception being made in this case to the principle of adjudication and to authorise us to approve the concession in its modified form. In addition to my French and Spanish colleagues, my Italian colleague was able to state that he was already in a position to approve the concession.

3. In undertaking to approach you in the matter, I proposed at the same time that a communication should be addressed by the president of the Committee of Control to the Resident-General of the French Protectorate asking him to explain the situation to the American representative here and to enquire whether, in the circumstances, he could see his way to withdrawing his opposition to the grant of the concession. Whilst concurring in this proposal, my French and Spanish colleagues expressed the view that the decision of the Committee of Control in the matter ought not to be made dependent on the receipt of a favourable reply. Although my other colleagues endorsed this view, I stated that I foresaw the probability that the approval of His Majesty's Government would be made contingent on similar approval being forthcoming from the American Government.

4. In view of the desirability that the work of erecting the new plant and extending the installation of the water company should be put in hand with the least possible delay, particularly on account of the present state of the labour market, the hope was expressed that telegraphic replies might be forthcoming from the Governments who still have to be consulted, and I should accordingly be greatly obliged if I might receive your instructions by telegraph. I enclose herein one copy of the proposed concession and of the amendments.(1)

5. The concession, even in its present form, is not so favourable to the zone as I could have wished, but I do not think that it would be feasible to improve further upon its terms, and, as the question of principle has been safeguarded, I would recommend that I be authorised to agree to an exception being made to the principle of adjudication in this case, provided it be not regarded as constituting a precedent and provided the other Powers interested also agree. I suppose that in theory the consent of the Swedish Government should be obtained

(1) Not printed.

besides that of the United States Government as being one of the signatories of the Act of Algeciras, but perhaps it may be assumed that as they have raised no objection their consent has been tacitly accorded.

6. I should add that the Compañia Rentistica, which represents the interests of the Marquess of Bute, recently installed in the Hotel Minzah, which they erected last year, a large plant for the purpose of supplying current to that hotel and to certain shops which form part of the building. They state that they did so in view of the fact that the existing electric light company (which had no monopoly of supply) was not in a position to undertake to furnish sufficient current for their purposes. They have addressed two letters to the Administrator, and have communicated copies to the Committee of Control, in which they protest against the concession of an electric light monopoly as being contrary to the provisions of the Act of Algeciras, and make all reserves with regard to their rights to continue to make use of their electric plant for their own purposes and for the supply of their tenants. At the meeting of the Committee of Control held yesterday I asked the Administrator what action he proposed to take on these communications. He said that he had confined himself to acknowledging their receipt, and that he proposed to wait the approval of the concession before returning any definite reply. He pointed out, however, that the question was one in which it was open to the company to seek redress through legal channels.

7. I have, I think, done all I can to assist Lord Bute in this matter by making it clear that under the terms of the concession the monopoly to be accorded applies only to the supply of electricity to third parties, and that it will still be open to firms or individuals to manufacture current for their own use. I do not think it would be reasonable to go further than this or to ask for a modification of the provision under which the company have also the right to the exclusive use of the public highways for the purpose of conveying current, although under this provision it will not be open to Lord Bute's company to supply electricity to the other hotel which they own and which is separated from the new hotel by two roads which the cables would have to cross. It would certainly not seem reasonable to demand that they should retain the right to supply current to third parties. I should be glad, however, if the matter might be examined from this point of view and if I might be informed whether I should take any further action in the matter.

8. Lord Bute's company would, I understand, be prepared to enter into an arrangement with the concessionnaires, and it is probable that the best solution will lie in such an arrangement. The plant which they have installed is much larger than is necessary for supplying the new buildings, and they state that it can be made use of by the concessionary company for the supply of current to the town. I understand from representatives of the latter company who called upon me this morning that they are also ready to negotiate with Lord Bute's company, and as the manager of the present electric light company is on the board of management of the hotel company it ought not to be difficult to come to an arrangement.

I have, &c.

HUGH GURNEY.

[**W 6621/24/28**] No. 25.

Mr. A. Henderson to Mr. Gurney (*Tangier*).

(No. 10.)

(Telegraphic.) R. *Foreign Office, June* 11, 1931.

YOUR despatch No. 111 of 30th May.

You may agree to the grant of the concession as an exception to principle of adjudication and provided that it shall not be regarded as establishing precedent. However, before notifying Committee of Control to this effect you should ascertain whether United States representative has been approached by French Resident-General. If so, I presume that he has notified United States Government's concurrence in grant of concession; if not, you should intimate privately to French consul-general that His Majesty's Government will not be able to agree until Mr. Blake has been approached in manner agreed to by your French and

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Spanish colleagues. You should also inform your colleagues that in view of His Majesty's Government in the United Kingdom it is desirable that Swedish Government should be notified of the intention of the Committee of Control to authorise an exception to principle of adjudication laid down in Act of Algeciras, which, in view of formula devised, cannot, however, be taken as precedent.

As regards the Bute interests, you should do your best to persuade company to conclude arrangement with concessionnaires. The concession appears definitely to preclude company from supplying current to third parties and to their properties across roads, but it is not clear whether the tenants in the hotel building are necessary "third parties" in the sense of article 4.

In default of settlement by arrangement or any means by which Bute interests may obtain compensation by their own action, this may be a case where a diplomatic claim for compensation might be made, but if company is not a British company this would debar official action by His Majesty's Government.

Compensation to the extent that the company have expended money which is rendered fruitless by the new concession is all that seems essential in the interests of justice.

(c) Position of ex-Enemy Nationals.

[W 107/107/28] No. 26.

Lord Tyrrell to Mr. A. Henderson.—(*Received January* 3.)

(No. 5.) *Paris, January* 2, 1931.

Sir,

IN accordance with the instructions contained in your despatch No. 2620 of the 15th December, I have mentioned to the Ministry for Foreign Affairs the memorandum communicated to you by the German Ambassador in London on the 3rd December respecting the position of German nationals in the Tangier Zone, and the proposal that article 8, paragraph 4, and article 9 of the Tangier Statute of 1923, as revised by the protocol of 1928, should be abrogated.

2. Paragraph 4 of article 8 reads: "The provisions of article 141 *et seq.* of the Treaty of Versailles continue to apply to the Tangier Zone. The Shereefian dahirs, issued in consequence of those provisions, can only be modified in agreement with the central Shereefian authority." Article 9 reads: "In virtue of the provisions of article 141 *et seq.* of the Treaty of Versailles, of article 96 *et seq.* of the Treaty of Saint-Germain, and of article 80 *et seq.* of the Treaty of Trianon, the provisions of the present statute can in no case be invoked by German, Austrian or Hungarian nationals."

3. The German memorandum intimated that the German Government also proposed to make representations to the French Government as regards the repeal of the dahirs of the 11th January, 1920, and of the 15th January, 1927. The provisions of the dahir of the 11th January, 1920, are summarised in paragraph 3 of your despatch No. 751 of the 6th August, 1930, to His Majesty's Chargé d'Affaires at Berlin. Briefly, that dahir prohibited for German nationals entry, stay or residence, or the exercise of rights "of whatever nature" in the Tangier Zone save under special permission, and laid down the penalties for infringement of this prohibition. The only effect of the dahir of the 15th January, 1927 (see Rabat despatch No. 52 of the 10th March, 1927) was to mitigate considerably the penalties prescribed for violation of the dahir of January 1920. You state in your despatch to Brussels No. 830 of the 18th December that if the French Government was willing to modify the two dahirs, the wishes of the German Government would, in fact, be met, and it would be unnecessary to contemplate the revision of the Tangier Statute proposed in the German memorandum of the 15th November.

4. In mentioning the German communication to the Ministry for Foreign Affairs, I expressed the opinion that it seemed inequitable that in an international zone such as Tangier, German, Austrian and Hungarian nationals should alone be treated differently from the nationals of other countries, and I

asked what view the French Government took of the German communication, which had, I understood, also been made in Paris.

5. The Comte de Saint-Quentin, the head of the African Department at the Ministry, said that it must first be remembered that the Treaty of Versailles had liquidated the Moroccan question so far as France and Germany were concerned, and liquidated it in favour of France. Article 143 of the treaty had left the Shereefian Government "complete liberty of action in regulating the status of German nationals in Morocco and the conditions on which they may establish themselves there." A dahir of January 1920, later modified by that of January 1927, had regulated the position, and articles 8 and 9 of the Statute of 1923 had applied the treaty in the Tangier Zone. Thus German nationals could not enter, stay or reside in the zone, or exercise any rights there whatever, nor could they plead before the tribunal.

6. In 1927 German nationals had under the Franco-German Commercial Treaty obtained certain commercial and shipping rights in Morocco, and a dahir had been issued in modification of the two original dahirs to provide for exceptional treatment in respect of these rights.

7. The German memorandum of the 15th November had raised two separate questions. The first was the case of an Austrian national whose suit on a commercial subject had been dismissed *a limine* by the tribunal under article 9 of the statute. This case was used by the German Government as an illustration of the position in which German nationals as well as Austrians were placed if they wish to sue on any kind of question, commercial or otherwise. M. de Saint-Quentin stated that the French Government would be ready to introduce a dahir to remedy this situation, in so far as commercial questions were concerned. He pointed out that it was equitable that, since under the Franco-German Commercial Treaty the Germans had obtained certain commercial and navigation rights in Morocco, they should be entitled to sue in respect of them.

8. The second question raised by the German memorandum was a much wider one, and concerned the entry, stay, residence and possession of rights in Tangier by German nationals. The German Government proposed that to remedy the position of its nationals in these respects, article 8, paragraph 4, and article 9 should be abrogated, or that the whole of the two dahirs of January 1920 and January 1927 should be repealed. M. de Saint-Quentin said that to abrogate the two clauses in question of the statute or to repeal the whole of the two dahirs would mean abrogation and repeal also in respect of the French Zone, for the French Government was not willing to legislate for Tangier independently, as it did not wish to see German nationals concentrated in Tangier before the wider question of their rights in the French Zone had been settled. It intended to proceed *pari passu* in this matter in Tangier and in the French Zone, and it was not yet ready to restore to German nationals all their privileges in the two territories. M. de Saint-Quentin, like the French representative in Tangier (see Mr. Gurney's despatch No. 117 of the 3rd July, 1930), spoke of the anxiety of the Germans to resume the pre-war policy of infiltration into commercial and mining affairs in Morocco, and he also expressed apprehension lest political difficulties might be made for France amongst certain of the natives. He said that the Germans would, no doubt, in due course obtain all they wanted, but the French Government wished to proceed as slowly as possible, and it was probable that in the first instance it would reply to the German memorandum by giving satisfaction only in respect of the right to sue on commercial questions covered by the Franco-German Commercial Treaty. M. de Saint-Quentin observed more than once that, though Tangier was under an international administration, it was in certain respects under a sovereignty, that of His Shereefian Majesty, which was not an international one, and that, in these respects, the question now raised by the German Government was not an international question, but a Franco-German question.

9. In view of the attitude adopted by M. de Saint-Quentin, I feel that it will at the moment be useless to urge the French Government to agree immediately to the German proposal to consent to the abrogation of article 8, paragraph 4, and article 9, or to repeal the whole of the two dahirs; and I have some doubt whether the German Government really expects to obtain as much as this itself. I venture to suggest for your consideration that, in these circumstances, it might be wiser, at any rate in the first instance, to rest content if the French Government will give the Germans satisfaction on the special case. The French Government

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will, no doubt, be ready to inform us when it is in a position to reply in this case, and we can then inform the German Government that we understand that a French reply is about to be given. The wider question would thus be postponed for discussion at a later date. I do not think we shall do any good by further pressing the French Government in respect of it for the moment. Should you approve of this procedure, you might perhaps think it well to authorise me to let the French Government know that you have noted its point of view, that you will act in the above sense, and that, when, later, the French Government is ready to settle the general question with the German Government, there will be no obstacle so far as His Majesty's Government in the United Kingdom is concerned.

I have, &c.
TYRRELL.

[W 107/107/28] No. 27.

Mr. A. Henderson to Lord Tyrrell (Paris).

(No. 153.)
My Lord, *Foreign Office, January* 21, 1931.

I HAVE read with interest your despatch No. 5 of the 2nd January in which your Lordship explained to me the attitude of the French Government towards the proposals made by the German Government for the abrogation of the treaty provisions and the legislation which deprive German nationals of the rights enjoyed by nationals of other States in the Tangier Zone of Morocco.

2. In the circumstances I am disposed to concur in the suggestion put forward by you that it would be advisable for His Majesty's Government to refrain, in the first instance, from pressing the French Government to do more than give to German nationals the right to sue before the Mixed Court in such a way that they may be able to take advantage of the provisions of the Franco-German Commercial Treaty of 1927. I have some doubts whether this concession will satisfy the German Government, but I am prepared, for the moment to wait and see what reception it meets with.

3. I shall accordingly be glad if you will inform the French Government that I have noted their point of view in this matter and am prepared to reply to the German Government to the effect that His Majesty's Government understand that the French Government are about to give them certain satisfaction by a certain date, which His Majesty's Government believe will meet the wishes of the German Government. The German Ambassador has, however, asked me to study this question and to give him an early answer, and I am therefore anxious not to delay my reply to the German note much longer. I shall therefore be glad to learn, as soon as possible, when the French Government will be ready to make their reply, and to be informed of its terms.

I am, &c.
ARTHUR HENDERSON

[W 1363/107/28] No. 28.

Mr. Gurney to Mr. A. Henderson.—(*Received February* 5.)

(No. 20.)
Sir, *Tangier, January* 27, 1931.

WITH reference to your despatch No. 4 of the 6th instant, I have the honour to report that the International Chamber of Commerce adopted at a meeting held on the 25th instant a resolution urging that article 13 of the Organic Dahir should be suppressed, and that German, Austrian and Hungarian nationals should be permitted to reside and do business freely in the Tangier Zone.

2. The motion, which was proposed by the president, who happens to be a British subject, was supported by several of the French members, and was passed by a large majority.

3. In an article which appeared in the "Tanger-Soir" last night, it is stated that, whilst the supporters of the motion were acting in perfect good faith in advocating the admission of ex-enemies to Tangier in the interests of commerce, the Protectorate Government had, on their part, good reasons for maintaining

their policy of exclusion. For the past twelve years, it says, the Protectorate Government had been constantly on watch and had succeeded in thwarting various plots. If the nationals of the Powers formerly at war with the Allies were still refused access to Morocco, it was because they had not yet realised that a Treaty of Peace had been signed twelve years ago, it was because they had not ceased to intrigue for the creation in Morocco of centres of disaffection and revolt, it was because the greatest and most respected of the so-called "pan-Islamites" were in the pay of Germany, and that quite recently one of them had cashed at Tangier funds emanating from Berlin.

4. I do not know what truth there may be in such assertions, but the article appears to be in harmony with views expressed to me by my French colleague yesterday, when he told me that his Government were genuinely afraid that if the Germans were readmitted to Morocco they would stir up political trouble for them here.

I have, &c.
HUGH GURNEY.

(d) Delimitation of Frontier of the Spanish Zone.

[W 1409/23/28] No. 29.

Marqués de Merry del Val to Mr. A. Henderson.—(*Received February* 5.)

(Translation.) *Spanish Embassy, London,*
Sir, *January* 27, 1931.

I HAVE the honour to inform your Excellency that at the meeting held by the Tangier Committee of Control on the 11th October last a resolution was passed to carry out the delimitation of the frontier between the Tangier International Zone and the Zone of the Spanish Protectorate in Morocco With this end in view it was decided, in principle, to appoint a commission of experts composed of (1) a delegate of the Domains Service; (2) Captain Pace, military attaché at the Italian consulate-general, as representing the Committee of Control; (3) a representative of the gendarmerie of the zone, appointed by the Administration on the motion of the Commander-in-chief; (4) the Engineer of Public Works of the State; and (5) a representative of the Shereefian Government.

The Government of His Majesty the King of Spain, deeming it desirable to proceed to the said delimitation, have decided to appoint a similar commission of experts chosen by the corresponding authorities of the Spanish Protected Zone in Morocco, in order that along with the commission referred to above it may constitute the Mixed Commission of Experts whose duty it is to submit the scheme of delimitation between the two zones.

In acquainting your Excellency with the foregoing and in fulfilment of my Government's instructions, I have the honour to request you that His Majesty's Government in Great Britain may agree to the plan in question and promise that they will raise no objection to the carrying out of the proposed delimitation between the Spanish Protected Zone in Morocco and the International Zone of Tangier which will be duly submitted by the above-mentioned Mixed Commission of Experts once it has been approved by the Spanish Government.

I have likewise the honour to state to your Excellency that the Spanish Government would be willing to submit this question to arbitration if any of the countries interested in the Tangier International Zone should not concur in the proposal of the Mixed Commission of Experts after the same has been approved by my Government.

I have, &c.
MARQUES DE MERRY DEL VAL.

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[W 1409/23/28] No. 30.

Mr. A. Henderson to Sir G. Grahame (Madrid).

(No. 47.)

Sir, *Foreign Office, February* 5, 1931.

THE Spanish Ambassador called upon me this morning and left with me the accompanying note(1) on the subject of the delimitation of the frontier between the International and the Spanish Protected Zones in Morocco.

2. His Excellency went on to speak about gambling in the Tangier Zone. The Spanish Government had bitter experience of the disastrous consequences of gambling on their own people, and with some difficulty had succeeded in stopping it in Spanish territory. They were naturally anxious, therefore, that facilities for gambling should not now be established just across the frontier, constituting a permanent temptation to young officers and others serving in the protected zone. The Spanish Government earnestly hoped that His Majesty's Government would withhold their approval of the proposal put forward by the Tangier Assembly and Chamber of Commerce to authorise controlled gambling in the International Zone.

3. I said that my personal sympathies in this matter were all on the side of the point of view advocated by the Spanish Government, but I would have to go into the matter very carefully before giving his Excellency a definite answer.

I am, &c.

ARTHUR HENDERSON.

(1) No. 29.

[W 1409/23/28] No. 31.

Mr. A. Henderson to the Marqués de Merry del Val.

Your Excellency, *Foreign Office, February* 16, 1931.

IN the note dated the 27th January last, which you were so good as to leave with me on the 5th February, your Excellency enquired whether His Majesty's Government in the United Kingdom saw any objection to the proposal recently put forward by the Administrator of the International Zone of Morocco for the delimitation of the boundary between the Spanish Zone and the Tangier Zone.

2. In reply, I have the honour to inform you that His Majesty's Government in the United Kingdom see no objection either to the proposal to delimitate this boundary along the line referred to in article 2 of the Tangier Convention of the 18th December, 1923, or to the method of delimitation proposed by the Administrator and approved by the Committee of Control on the 11th October last. His Majesty's Government in the United Kingdom understand that all expenses in connexion with the delimitation will be borne by the two zones concerned and, on this understanding, they will be prepared to agree to recognise the decisions reached by the Mixed Commission where they have received the approval of the Spanish Government and of the International Administration.

I have, &c.

ARTHUR HENDERSON.

(e) Election of Administrators.

[W 3641/23/28] No. 32.

Mr. Gurney to Mr. A. Henderson.—(Received April 1.)

(No. 60.)

Sir, *Tangier, March* 27, 1931.

WITH reference to my despatch No. 56 of the 18th instant, I have the honour to report that the Assembly duly proceeded to the election of the Administrator and Assistant Administrators on the 23rd March, when M. le Fur,

M. Ruiz, Mr. Dicken and M. Marchegiano were reappointed for a further period of six years by a law, of which I enclose a copy herein.

2. Previous to the election, a law, of which I also enclose a copy, was adopted laying down that, if the Administrator does not give satisfaction, he can be removed by a three-quarters majority of the Assembly, and that similar action can be taken if any one of the Assistant Administrators does not give satisfaction to the Administrator. It is further provided that in such an event, or in the event of the death or resignation of one of the Administrators, a candidate of the same nationality shall be appointed to serve for the remainder of the six-year period.

3. It had been previously understood that a three-year period was to be proposed, by desire of the Spaniards and with the approval of the Italians, but this proposal was not pressed. It was at the suggestion of the French delegation that the six-year period was chosen.

4. The British delegation urged, after consultation with me, that it should be laid down that a vote of the Assembly removing any of the Administrators should not become operative without the approval of the Committee of Control, but an amendment to this effect was not accepted. It was, however, on their proposal that a provision was inserted to the effect that the appointment of any person to replace one of the Administrators should only be for the remainder of the original six-year period. This proposal was made in order to obviate the possibility that the post of Administrator might remain indefinitely in French hands through the replacement of the original incumbent of the post by another candidate of the same nationality shortly before the expiry of the six-year term. Under the law as passed the whole question of the appointments will automatically come up for reconsideration in six years' time, if, that is to say, the statute has not been modified before then.

5. It remains to be seen whether the law will be approved by the Committee of Control. Under the terms of the last two paragraphs of article 35 of the Tangier Convention it is provided that any appointment to replace one of the Administrators must be made by the Sultan on the recommendation of the Committee of Control. It is, I think, quite clear that it was intended that this provision should apply only during the first period of six years during which the posts were to be held by persons appointed by the Sultan, since it is laid down in the fourth paragraph that after that period the appointments are to be made by the Assembly. The wording of the article is, however, open to doubt, and it has been suggested that it might be desirable for the Committee of Control to take steps to obtain or lay down an authoritative interpretation of the article.

6. Although in theory it may be held to be objectionable to decide that for the whole of the next period of six years the nationality of the holders of the various posts is not to be changed, the arrangement has certain practical advantages. There is no doubt that no one of the four Powers principally interested in Tangier would willingly agree to be excluded from a post in the Administration. His Majesty's Government do not desire to obtain the post of Administrator for a British subject, and it is, I think, more satisfactory for them that it should be assured that the post of Director of Finance will continue to be held by a British subject for the next six years. The arrangement may also make it easier for the Italian and Spanish Governments to replace at a later date their very inefficient Assistant Administrators, whilst it will reduce the probability that the Spanish Government will again raise the question of the appointment of a Spaniard to the post of Administrator during this period.

7. I enclose copies of the speeches made by M. Mariani, the Italian vice-president of the Assembly, who presided over the meeting, and by the Administrator when the result of the vote was announced.(1)

I have, &c.

HUGH GURNEY.

(1) Not printed.

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Enclosure 1 in No. 32.

Délibération prise par l'Assemblée législative internationale dans sa Séance du 23 Mars 1931 et portant Nomination de l'Administrateur et des Administrateurs-adjoints de la Zone de Tanger.

L'ASSEMBLÉE législative internationale,

Vu la Convention de Paris du 18 décembre 1923 relative à l'organisation du Statut de Tanger;

Vu les dahirs chérifiens des 10 radjeb 1342 (16 février 1924) et 21 chaoual 1343 (15 mai 1925) consécutifs à cette convention;

Vu l'accord intervenu le 25 juillet 1928 entre les Gouvernements espagnol, français, britannique et italien, tendant à la revision de certains articles du dahir chérifien du 16 février 1924 concernant l'organisation de l'administration de la Zone de Tanger;

Vu le dahir chérifien du 23 radjeb 1347 (5 janvier 1929) consécutif à cet accord,

Décide :

Sont nommés pour une durée de six ans expirant le 31 mai 1937 :

Administrateur de la Zone de Tanger : M. P. le Fur;
Administrateur-adjoint, Directeur des Services d'Hygiène et d'Assistance : M. Ricardo Ruiz;
Administrateur-adjoint, Directeur des Services financiers : M. Vernon Dicken;
Administrateur-adjoint, Directeur des Services judiciaires : G. Marchegiano.

Enclosure 2 in No. 32.

Loi déterminant les Conditions de Nomination et de Remplacement de l'Administrateur et des Administrateurs-adjoints de la Zone.

ARTICLE 1er. La nomination de l'Administrateur et des Administrateurs-adjoints de la Zone est faite pour une période de six ans.

Art. 2. Si les services de l'Administrateur ne donnent pas satisfaction à l'Assemblée législative, celle-ci pourra, à une majorité des trois quarts des voix, décider de procéder à son remplacement, jusqu'à l'expiration de la période pour laquelle il avait été nommé, par un candidat de même nationalité.

Art. 3. Au cas où la collaboration d'un des Administrateurs-adjoints ne donnerait pas satisfaction à l'Administrateur, l'Assemblée, sur demande motivée de ce fonctionnaire, pourra, à la même majorité que ci-dessus, décider de procéder au remplacement de l'adjoint par un candidat de même nationalité.

Art. 4. En cas de décès, démission ou révocation de l'Administrateur ou d'un Administrateur-adjoint, l'Assemblée, dans le délai d'un mois, procédera à son remplacement, et jusqu'à l'expiration de la période pour laquelle il avait été nommé, par un candidat de même nationalité.

[W 4808/23/28] No. 33.

Mr. Gurney to Mr. A. Henderson.—(Received April 28.)

(No. 72.)

Tangier, April 18, 1931.

Sir,

WITH reference to my despatch No. 60 of the 22nd March, I have the honour to report that the Committee of Control examined at its last meeting the law and the resolution passed by the Assembly in connexion with the appointment of the Administrator and the assistant administrators.

2. It was pointed out by my Italian colleague in the course of our discussion that to appoint the administrators for a period of six years would be contrary to the spirit of the statute, since it would carry their term of office beyond the date at which the statute could expire. This date is fixed by article 56 at twelve

years after its ratification, and, as the last ratification was deposited on the 22nd May, 1924, the statute might conceivably be denounced so as to terminate on the 22nd May, 1936, that is to say, before the expiration of the period of six years for which it is proposed to appoint the administrators. To accept this proposal would therefore involve the zone in a certain liability towards the administrators in the event of the termination of the statute in the circumstances above mentioned. This view is in accordance with that which had been advanced by the British delegation to the Assembly after consultation with me, and it was ultimately endorsed by my colleagues.

3. M. de Facendis further pointed out that, under the statute, the initiative for the removal of the Administrator lay with the Committee of Control and that it would constitute a modification of the statute to transfer that initiative to the Assembly. This view was also endorsed by the Committee of Control, and it was decided that, whilst confirming the choice of administrators, the Assembly should be informed that the law and the resolution could not be accepted in their present form. I enclose herein a copy of the letter which was addressed on the subject to the Administrator and which was drafted by my French and Italian colleagues, who also undertook to explain the attitude of the Committee of Control to the Vice-President of the Assembly, and to endeavour to overcome any possible opposition on their part to our proposals. The French Vice-President may be the most difficult to deal with, but it is to be hoped that M. de Witasse will succeed in inducing him to be reasonable.

4. In the course of the discussion the Belgian consul-general stated that he felt bound to point out, from an academic point of view, that the provision in the law to the effect that the administrators must be replaced by candidates of the same nationality was contrary to the spirit of article 35 of the statute, which laid down that these posts might be filled by nationals of any Power signatory to the Act of Algeciras. He did not, however, in any way desire to insist on the strict application of this theory.

5. My Portuguese colleague was not content with this academic statement on the part of M. de Thieusies, and made a somewhat energetic protest against the adoption of a provision which would prevent all except British, French, Italian and Spanish nationals from holding any of the administrative posts. I was bound to admit the theoretical correctness of his point of view, but my French colleague and I eventually persuaded M. Barjona, without entering deeply into the political reasons which made the acceptance of the provision inevitable in practice, not to press the point.

I have, &c.
HUGH GURNEY.

Enclosure in No. 33.

Projet de Lettre à M. l'Administrateur de la Zone de Tanger.

LE Comité de Contrôle, ayant procédé à l'examen de la Loi déterminant les Conditions de Nomination et de Remplacement de l'Administrateur et des Administrateurs-adjoints de la Zone, a dû constater qu'elle s'écarte sur plusieurs points de l'esprit et de la lettre de la Convention de Paris, et, en raison de ces divergences, se voit contraint d'y opposer son veto.

En effet, l'article 1er dispose que "la nomination de l'Administrateur et des Administrateurs-adjoints de la Zone est faite pour une période de six ans."

Or, le comité estime que la nomination dont il s'agit ne saurait excéder la durée du statut, d'où découlent les titres en vertu desquels est effectuée cette nomination.

L'article 56 fixe cette durée (sauf reconduction) à douze années *à partir de la ratification*. Le statut expire donc ou peut expirer le 22 mai 1936, étant donné que la dernière ratification recueillie porte la date du 22 mai 1924.

En ce qui concerne l'article 2, le Comité de Contrôle doit veiller à ce qu'aucune innovation ne soit apportée au Statut de Tanger sans l'accord préalable des Puissances contractantes. En conséquence, il est d'avis que les modalités du changement éventuel de l'Administrateur et des Administrateurs-adjoints pendant la seconde période de leur charge doivent être établies d'après les règles

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posées lors de la première période en substituant simplement aux pouvoirs de Sa Majesté chérifienne ceux de l'Assemblée législative. Ainsi seront conservées les prérogatives du Comité de Contrôle formellement stipulées par la convention de 1923, laquelle lui donne, dans des conditions strictement déterminées, l'initiative du remplacement, qui doit être prononcé, bien entendu, par l'Assemblée législative.

La même observation s'applique à l'article 3.

Le Comité de Contrôle est prêt à donner son approbation à une nouvelle loi s'inspirant des considérations qui précèdent.

Il approuve dès maintenant les nominations aux postes d'Administrateur et d'Administrateurs-adjoints de MM. Le Fur, Dicken, Marchegiano et Ruiz, sous réserve que la loi qui les nomme sera, en ce qui concerne la durée de leur mandat, modifiée conformément aux observations ci-dessus.

[**W 7044/23/28**] No. 34.

Mr. Gurney to Mr. A. Henderson.—(*Received June* 15.)

(No. 113.)

Sir, *Tangier, June* 2, 1931.

I HAD the honour to report in my despatch No. 72 of the 18th April that the Committee of Control had referred back to the Assembly a law and resolution passed by them in connexion with the appointment of the Administrator and the Assistant Administrators whose period of office expired on the 31st May.

2. As a result largely of personal representations on the part of the members of the Committee of Control, particularly of my French and Italian colleagues, the Assembly eventually accepted the proposals of the Committee of Control, and agreed to amend the law in regard to the conditions of appointment of the Administrator in such a way that any demand for his removal must come from the Committee of Control and not from the Assembly. They also agreed to modify the resolution nominating these officials, and, in its present form, it provides for their appointment, not for a period of six years, as previously proposed, but for "the second period of the statute."

3. These measures came before the Committee of Control at a meeting held on the 29th ultimo and were approved by them. I enclose herein the texts. In order to avoid any possible misunderstanding in the future, I insisted on its being laid down, for communication to the Administration and the Assembly, that the Committee of Control understand the expression "second period of the statute" to mean the period from the 1st June, 1931, to the 22nd May, 1936.

4. In expressing his approval my Belgian colleague repeated the reserve which he made when the appointment came previously before the Committee of Control, as reported in the fourth paragraph of my despatch referred to above.

I have, &c.

HUGH GURNEY.

Enclosure 1 in No. 34.

Délibération prise par l'Assemblée législative internationale dans sa Séance du 23 *Mars* 1931, *portant Nomination de l'Administrateur et des Administrateurs-Adjoints de la Zone de Tanger.*

L'ASSEMBLÉE législative internationale,

Vu la Convention de Paris du 18 décembre 1923 relative à l'organisation du Statut de Tanger;

Vu les dahirs chérifiens des 10 Radjeb 1342 (16 février 1924) et 21 Chaual 1343 (15 mai 1925) consécutifs à cette convention;

Vu l'accord intervenu le 25 juillet 1928 entre les Gouvernements espagnol, français, britannique et italien, tendant à la revision de certains articles de la convention susdite du 18 décembre 1923 et du dahir chérifien du 16 février 1924 concernant l'organisation de l'Administration de la Zone de Tanger;

Vu le dahir chérifien du 23 Radjeb 1347 (5 janvier 1929) consécutif à cet accord,

Décide :

Sont nommés pour la deuxième période du statut :

Administrateur de la Zone de Tanger : M. Pierre Le Fur.

Administrateur-Adjoint, directeur des Services d'Hygiène et d'Assistance : M. Ricardo Ruiz Orsati.

Administrateur-Adjoint, directeur des Services financiers : M. Charles Vernon Dicken.

Administrateur-Adjoint, directeur des Services judiciaires : M. Giuseppe Marchegiano.

Enclosure 2 in No. 34.

Loi déterminant les Conditions de Nomination et de Remplacement de l'Administrateur et des Administrateurs-Adjoints de la Zone.

Article 1^er^. En conformité de l'article 35 du Statut de Tanger, l'Assemblée législative, à partir de la seconde période dudit statut, nommera l'Administrateur et les Administrateurs-Adjoints de la zone parmi les ressortissants des Puissances signataires de l'Acte d'Algésiras et pour une durée qui sera fixée par l'Assemblée même.

Art. 2. Le Comité de Contrôle pourra, le cas échéant, à la majorité des trois quarts des voix, soumettre une demande motivée de remplacement de l'Administrateur à l'Assemblée législative, qui nommera un candidat de même nationalité.

Art. 3. Si la collaboration d'un des Administrateurs-Adjoints ne donne pas satisfaction à l'Administrateur, celui-ci pourra s'adresser au Comité de Contrôle pour en obtenir le remplacement. Le Comité de Contrôle, après examen des motifs invoqués, pourra demander à l'Assemblée législative de procéder au remplacement requis par un candidat de même nationalité.

Art. 4. Tout poste d'Administrateur ou d'Administrateur-Adjoint resté vacant sera pourvu par l'Assemblée législative dans le délai d'un mois, par un candidat de la même nationalité que le titulaire antérieur, et jusqu'à l'expiration de la période pour laquelle celui-ci avait été nommé.

(f) Miscellaneous.

[**W 885/574/28**] No. 35.

Mr. Gurney to Mr. A. Henderson.—(*Received January* 23.)

(No. 8. Confidential.)

Sir, *Tangier, January* 6, 1931.

I have the honour to transmit herewith my annual report on the heads of foreign missions at Tangier.

I have, &c.

HUGH GURNEY.

Enclosure in No. 35.

Report on Heads of Missions at Tangier.

[The passages marked with an asterisk (*) are reproduced unaltered from last year's report.]

United States of America: Hon. Maxwell Blake, Diplomatic agent and consul-general.

MR. BLAKE has been here since 1915, with the exception of the period between 1922 and 1925, which he spent in Australia and Albania. Owing to the

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fact that the United States have not adhered to the Tangier Statute, Mr. Blake holds himself aloof from the majority of the affairs which interest his colleagues. He clings tenaciously to every letter of the Act of Algeciras, and one pictures him as holding solemn meetings of the Conseil sanitaire, of which he is now the sole member, while the rest of us are sitting on the Committee of Control.

Though somewhat difficult to deal with, both Mr. Dicken and I have found that, if tactfully approached, he is always ready to discuss matters in which he or his nationals may be affected in a reasonable manner, and it must be admitted that he has placed no unnecessary obstacles in the way of the smooth working of the statute.

He is a man of considerable artistic taste, and has shown great skill in doing up the Legation buildings in the old town, which have for him a sentimental interest, as being the first house acquired by the United States Government for the accommodation of their representatives abroad. It seems doubtful, however, whether his successor, who will probably prefer to live in a more modern quarter, will appreciate the money which has been spent upon the reconstruction of the house.

He is married to a lady of Gibraltarian origin. (Rewritten in 1931.)

Belgium: Vicomte Alain Obert de Thieusies, consul-general, with personal rank of Minister Plenipotentiary, since 1930.

M. Watteeuw left Tangier in July on appointment as Belgian Minister at Caracas, and was succeeded by the Vicomte Alain Obert de Thieusies, who took up his duties here on the 23rd December. M. de Thieusies was for ten years counsellor to the Belgian Embassy at Paris and comes here with an excellent reputation. He is certainly more a man of the world than my other colleagues, and he has made a very favourable first impression. He speaks excellent English and is married to an Italian lady, whose mother was an American.

**France:* M. Paul de Witasse, consul-general since December 1926, with personal rank of Minister Plenipotentiary.

M. de Witasse, who is in the French consular service and is directly attached to the Administration of the French Zone of Morocco, has spent most of his career in the Near East, having served at Cairo, Genoa, Smyrna and Alexandria. He has also been employed at the residency-general at Tunis, and before coming here had been in charge of the Oudjda district of French Morocco, where he acquired the reputation of an able administrator. He is a pleasant colleague to work with, combining, as he does, French wit with a good deal of common sense, and we get on very well together. He seems genuinely anxious to make the statute a success, and not to put French interests unduly in the foreground. He has a difficult colony to deal with, and though he was warmly welcomed by them on arrival, I believe that, like his predecessor, he is not now very popular with them.

He is married, and both he and his wife speak fairly good English and are devoted to golf.

He was given the rank of Minister Plenipotentiary in October 1928. (Written in 1928 and 1929.)

**Holland:* M. F. Gerth van Wijk, consul-general since January 1925.

He was previously consul in Moscow, Petrograd and Zurich. As stated by my predecessor, he is a sound and friendly colleague. Though never assuming a prominent part in discussions, he can be relied upon to take a reasonable and unprejudiced view of matters dealt with by the Committee of Control. His business-like and tactful qualities have led to his appointment as representative of the Committee of Control on the Port Commission. He speaks several languages fluently, including English.

He is married to a lady of Italian origin.

He was given the Legion of Honour in 1927 on the recommendation of the French consul-general, ostensibly for his services on the Port Commission. (Written in 1927 and 1929.)

**Italy:* M. D. de Facendis, consul-general since October 1928, with personal rank of Minister Plenipotentiary.

M. de Facendis was Minister at Tehran before coming here, and he had previously served in some consular posts in South America and Albania, as well as at the Italian Legation at Athens. He appears to have acquired a reputation for Anglophobia at the latter post, but I have seen no signs of it here, and my relations with him are very friendly.

He is quiet in manner and does not shine particularly in society. He has an agreeable wife.

During 1929, M. de Facendis acted as president of the Committee of Control, and he discharged the duties of that post with considerable tact and efficiency. His ideas are generally sound, and he has shown a conciliatory disposition in dealing with the various problems which have presented themselves. He has throughout displayed a strong desire to work closely with me in opposing any undue increase of influence on the part of France or Spain. (Written in 1929 and 1930.)

Portugal: M. Gastao Barjona de Freitas, consul-general since 1930.

M. Barjona was at Tangier as consul-general from the middle of 1928 until the end of 1929, when he was appointed consul-general in Paris, and was succeeded by M. Pedroso Rodrigues. M. Barjona has, however, now returned to Tangier, whilst M. Pedroso is to go to Rio de Janeiro. I am very glad to have M. Barjona back again here, as he was a helpful colleague, who, although he did not take an active part in the proceedings of the Committee of Control, at times intervened with a useful suggestion, and I could always rely upon his support in any question of mutual interest. He will be called upon to preside over the Committee of Control during 1931, and I feel sure that he will discharge the duties of the post with an adequate sense of responsibility.

He talks excellent English, and he has an American wife.

Spain: Don Manuel Aguirre de Carcér, consul-general, with personal rank of Minister Plenipotentiary since 1930.

M. Aguirre only arrived here in June last, but he is already leaving us on his appointment as Minister at Berne. This bewildering change in Spanish representation at Tangier—there have been four consuls-general in the last two years—has annoyed the Spanish colony, with whom, to judge by the fulsome articles in the local Spanish press, M. Aguirre has acquired remarkable popularity. His colleagues, however, display no regret at his loss, and he has certainly shown no greater interest in the welfare of Tangier than his predecessors, nor has he contributed materially to the success of the statute, although the fact that he was co-author of it has enabled him to speak with some authority as to its intentions where doubt on the subject has arisen.

Before coming here M. Aguirre was employed in the League of Nations Minorities Department, from which he resigned in consequence of a difference of opinion with the Secretary-General. He had previously been head of the Department of Morocco and the Colonies at Madrid.

He is married and has a number of children.

He is to be succeeded by Don Diego Saavedra, who was formerly Delegate-General at Tetuan, and subsequently head of the Department of Morocco and the Colonies at Madrid. My recollection of the intercourse which I had with him whilst at Tetuan, where he showed himself both lazy and obstructive, does not lead me to expect that he will be any improvement on his predecessors. The fact that he has the misfortune to be deaf will also not facilitate the work on the Committee of Control.

**Sweden:* M. Carlos Dahl, trading consul-general.

As he is not a career consul-general, M. Dahl does not sit on the Committee of Control.

He is of a retiring disposition, and one sees but little of him. (Written in 1928.)

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[W 1994/23/38] No. 36.

Italian Chargé d'Affaires to Mr. A. Henderson.—(*Received February* 20.)

(Translation.)

THE Chargé d'Affaires of His Majesty the King of Italy has the honour, in fulfilment of instructions from his Government, to bring the following to the knowledge of the Secretary of State for Foreign Affairs:—

The Committee of Jurists which, according to the terms of the special provision No. 5 of the Protocol of Paris, dated the 25th July, 1928, relating to the Tangier Statute, was to elaborate a revised scheme for the international tribunal, has not yet concluded its task, nor can it be foreseen whether and when the committee will be able to complete it.

On the other hand, according to the terms of provision 3 of the same protocol, Italy has the right to make proposals relating to the revision of the codes in force in the international zone, provisionally applied to Italian subjects, within a period of two years from the date on which the Quai d'Orsay officially communicated these codes to the Italian Government—that is, from the 18th July, 1929.

The Italian Government, having regard to the close connexion existing between the organisation for the administration of justice in the zone and the Criminal and Civil Codes, have hitherto abstained from making proposals regarding the revision of these codes, more especially in view of the fact that the Committee of Jurists have been entrusted with the task of determining the powers of an administrative and judicial character assigned by the first special provision to the administrator of the services relating to the administration of justice.

The above-mentioned provisions 3 and 5 are then, in the view of the Italian Government, intimately connected and interdependent as regards their being carried into effect. That is to say, a revision of the codes cannot be secured unless both the revision of the tribunal and the powers of the Judicial Administrator have first been settled.

On the other hand, it is observed that the revision of a system of law such as that of Tangier, which comprises fully seven codes covering the whole field of public and private law, is undoubtedly a complex and difficult task, which cannot be undertaken without serious preparation.

The Italian Government, in these circumstances, consider that the Committee of Jurists referred to in third special provision of the protocol could only usefully be convoked after the Governments of the four signatory Powers are first in possession of a report prepared by a special local committee which, having sounded all the interested bodies, should indicate any modifications which appear from the experience of five years to require to be made in the various codes in order to eliminate deficiencies and incongruities found therein.

Such a committee could be constituted, on the invitation of four Governments interested, by the Committee of Control, and should comprise representatives chosen from the members of the Administration best qualified technically (and in particular the Assistant Administrator in charge of the services relating to the Administration of Justice), the Legislative Assembly, the Mixed Tribunal, the Bar, and the International Chamber of Commerce.

The committee should be empowered to demand all useful information from the various local bodies and institutions (Mahometan, Hebrew, or belonging to the European colony), and should complete its task within a stated period.

The report of the labours of the committee should be published by the International Administration and communicated to the four Governments interested through the channel of the Committee of Control. These Governments having in the meantime carried into effect (as it is to be hoped) the fifth special provision of the protocol, and thus having completed the revision of the tribunal and decided upon the powers of the Judicial Administrator, will be in a position to summon with advantage the Committee of Jurists provided for in the third provision for the revision of the Tangier system of law.

The following is communicated in accordance with the considerations set forth and on the instructions of the Italian Government:—

(*a*) That the Italian Government, in consideration of the fact that the third special provision of the protocol cannot be put into effect at the expiry

of the period of two years (the 18th July, 1931) because the Committee of Jurists entrusted with the revision of the tribunal and the determination of the powers of the Judicial Administrator (these reforms being preliminary to and connected with those concerning the Civil and Criminal Codes) has not yet completed its task, declare that they reserve the right given in the third provision beyond the date the 18th July, 1931.

(*b*) That the Italian Government are of the opinion that the labours of the Committee of Jurists for the revision of the judicature of Tangier should be resumed and speedily brought to a conclusion, and that during the time taken by this work the more urgent question of the determination of the powers of the Judicial Administrator (the delay in dealing with which renders the first special provision of the protocol devoid of effect) should in the meantime be made separate, this being done by a special dahir, the preparation of which, it is suggested, should be entrusted to the Tangier Committee of Control.

(*c*) That the Italian Government are of opinion that the committee foreshadowed in the special provision 3 of the protocol could not be usefully summoned unless a preliminary study of the codes and laws to be modified has been undertaken by a local committee; it is therefore proposed that the Tangier Committee of Control be invited to proceed with the appointment of a local committee charged with the above task and composed of representatives of the principal international organs of the Tangier régime, such as the Administration, the Legislative Assembly and the Mixed Tribunal, to which could be added the Bar and the International Chamber of Commerce.

The Italian Ambassador would be extremely grateful to his Excellency the Secretary of State for Foreign Affairs if he would kindly inform him what attitude he proposes to adopt towards the proposals made by the Italian Government.

Italian Embassy, London,
February 12, 1931.

[W 5296/23/28] No. 37.

Mr. Gurney to Mr. A. Henderson.—(*Received May* 7.)

(No. 79.)

Sir, *Tangier, April* 30, 1931.

WITH reference to my despatch No. 73 of the 21st instant, I have the honour to report that after the Republican flag had been hoisted at the Spanish consulate-general on the 19th April, a working man made a speech in which he demanded that Spain should withdraw from the statute. I did not think it worth while at the time to report an isolated utterance of this kind, but the question has since been taken up by the "Porvenir," one of the Spanish newspapers published here, in an article in which it welcomes the proposal, stating that the statute is disastrous for Tangier, and that all Spaniards living here endorse the demands of the working man. The withdrawal of Spain, it says, would mean the end of the statute, but although it goes on to say that wonderful things would result, it does not specify what kind of régime it thinks would take its place.

2. I am also informed that the Spanish vice-president of the Assembly expressed the view the other day, in conversation with the British vice-president, that the convention was not binding on Spain, since it had been signed under the Directorate and had never been approved by the Cortes.

3. Although these utterances need not necessarily be taken very seriously, there is no doubt that there is a tendency among Spaniards here to make a fresh attack upon the statute, and it is possible that in the absence of a strong Government at Madrid and of a strong Spanish representative here, the movement may assume some importance.

I have, &c.
HUGH GURNEY.

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[W 6930/23/28] No. 38.

Mr. A. Henderson to M. Bordonaro.

Your Excellency, *Foreign Office, June* 20, 1931.

I HAVE the honour to refer to the note which Signor Mameli was good enough to communicate to me containing certain proposals of the Italian Government regarding the judicial system in Tangier.

2. Signor Mameli reminded me that the Committee of Jurists which, according to the fifth of the special provisions of the protocol signed at Paris on the 25th July, 1928, is to elaborate a revised scheme for the international tribunal of Tangier has not yet completed its task, that the functions of the assistant administrator in charge of the services relating to the administration of justice have never been defined, with the result that no effect has yet been given to the first special provision of the protocol, and that the Italian Government possess the right, under the third special provision, of suggesting such modifications in the codes which were drawn up in accordance with article 48 of the convention of the 18th December, 1923, as they might, on the expiration of two years' delay after the entry into force of that convention, desire to propose. Signor Mameli went on to state that in the view of the Italian Government a close connexion existed between these three questions. The Italian Government felt, however, that the Committee of Jurists, who were to consider the modifications to be introduced into the codes, could only be usefully convoked after the Governments of the four signatory Powers had been furnished with a report prepared by a special local committee which should indicate any amendments which might, in light of five years' experience in the working of the codes, appear to be desirable, and they considered that the determination of the function of the judicial administrator should be treated as a more urgent matter than the completion of the reform of the tribunal.

3. The Italian Government therefore suggested that during the time taken for the completion of this work the definition of the functions of the judicial administrator should be settled by a special dahir, the preparation of which might be entrusted to the Committee of Control, and that the question of the modifications in the codes should be submitted to a preliminary study by a local committee constituted, on the invitation of the four Governments interested, by the Committee of Control and composed of representatives of the principal organs of the international administration and local bodies interested.

4. Very careful consideration has been given to these suggestions, and I am now happy to be able to inform your Excellency that His Majesty's Government in the United Kingdom welcome the proposal made by the Italian Government regarding the first special provision, and agree that the functions of the assistant administrator in charge of the services relating to the administration of justice should be defined without delay. His Majesty's Government also agree that the task of defining these functions might be carried out by a special dahir. While it does not appear to His Majesty's Government that this dahir would be exactly a dahir modifying any of the organic texts of the Tangier Zone, it does seem that it would be a dahir carrying out a part of the agreement concluded in 1928 for the revision of the Tangier Statute, and should therefore, His Majesty's Government consider, be treated not as a dahir falling within the ordinary course of legislation at Tangier, but rather as a dahir issued in continuation of the work of the Conference of Paris of 1928, and for this reason as one coming under the third paragraph of article 8 of the statute as amended in 1928 and under article 12 (2) of the amended organic dahir. If this view is correct His Majesty's Government feel that the dahir should be drawn up by the representatives of the four Governments which were represented at the conference of 1928 appointed *ad hoc* and not by the members of the Committee of Control as such. In appointing representatives *ad hoc* the four Governments would be free to appoint the persons who are also their representatives on the Committee of Control. It will, however, be necessary for these four Governments to obtain the concurrence of the other Governments which have acceded to the statute in the terms of this dahir, and His Majesty's Government are therefore of the opinion that the representatives of these four Governments on the Committee of Control, having been specially so appointed for the purpose, should

prepare and submit the draft of the dahir after consulting their colleagues on the committee and some representative whom the Swedish Government may appoint for the purpose.

5. His Majesty's Government also agree that under the third special provision the Italian Government and the other Governments which have acceded to the statute have the right to submit to a Committee of Jurists the examination of such modifications in the codes as they may feel to be desirable. His Majesty's Government agree that this committee would be greatly assisted in its work by having heard the views of the local bodies which have had experience in the working of the codes. His Majesty's Government, therefore, concur in the suggestion of the Italian Government that the codes should be submitted, in the first instance, to a preliminary study by a local committee whose task would be of a preparatory and advisory nature, and whose recommendations would later be submitted to examination and, if necessary, to modification by the Committee of Jurists provided for in the third special provision.

6. Finally, His Majesty's Government agree with the Italian Government that each of these two questions is more pressing than that of the reform of the Mixed Court which is dealt with in the fifth special provision. As the Italian Government will be aware, the question of the reform of the tribunal is an extremely complicated one, the settlement of which would necessarily greatly delay the solution of the two other questions if deliberately coupled with them. His Majesty's Government, moreover, believe that the Mixed Court is working in a manner which is not altogether unsatisfactory when account is taken of the peculiar difficulties under which it must labour, and they are therefore of the opinion that an attempt to find a solution for this question is one which might with advantage be postponed for the present.

I have, &c.
ARTHUR HENDERSON

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RECORD OFFICE, LONDON